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# *The Department of State*

Vol. XXXV, No. 894

August 13, 1956



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# *The Department of State* bulletin

VOL. XXXV, No. 894 • PUBLICATION 6379

August 13, 1956

*The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.*

*Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.*

For sale by the Superintendent of Documents  
U.S. Government Printing Office  
Washington 25, D.C.

PRICE:  
52 issues, domestic \$7.50, foreign \$10.25  
Single copy, 20 cents

The printing of this publication has been approved by the Director of the Bureau of the Budget (January 19, 1955).

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## Report on the Suez Situation

*Following is the text of a radio and television address made by Secretary Dulles at the White House on August 3, together with a statement made on his return to Washington from the three-power conference held at London and a joint U.S.-U.K.-French statement issued on August 2 following the London conference.<sup>1</sup>*

### ADDRESS BY SECRETARY DULLES

#### *Introduction by President Eisenhower*

Good evening, citizens.

All of us, of course, appreciate the tremendous importance of the Suez Canal. Its continuous and effective operation is vital to the economies of our country, indeed, to the economies of almost all of the countries of the world.

So all of us were vastly disturbed when Colonel Nasser a few days ago declared that Egypt intended to nationalize the Suez Canal Company. At that moment, Secretary Dulles was in South America. But as soon as he returned, and because of his great experience, his wisdom in this kind of affair, he went at my request to London to confer with our British and French friends concerning a proper course of action.

This noon he returned. Because of the information he has, and the background he can give you, I instantly asked the television industry to give him a few minutes this evening to explain to you what he can this evening and give you a report on what he has been talking about in London.

#### *Secretary Dulles:*

Mr. President, I greatly appreciate what you have said and this opportunity to speak here from the White House about this dangerous, critical Suez situation and to tell the American people,

with some background, the kind of thing I have been reporting to you by cable from London and then which we talked over personally here at the White House this afternoon.

Now this trouble about the Suez Canal started about a week ago when President Nasser announced that he was going to take over the operation of the Suez Canal. And at that time he tried to seize the moneys and the property and the personnel of this Universal Suez Canal Company, which is the operating company of that canal.

Now, this act by President Nasser goes far beyond a mere attempt by a government to nationalize companies and properties within its territory which are not international in character, because the Suez Canal and the operating company are international in character.

Now let me give first a little background about the Suez Canal. That is an international waterway which was built by the Universal Suez Canal Company with international funds about a century ago. And then in the year 1888 all of the great powers that were principally concerned with that canal made a treaty providing that the Suez Canal shall be open at all times, in war as well as in peace, to the shipping of all nations on free and equal terms.

Egypt is a party to that treaty and has repeatedly recognized it. And, indeed, only a couple of years ago President Nasser himself reaffirmed the allegiance of Egypt to that treaty. In all the world there is no international waterway as fully internationalized as is the Suez Canal.

#### **Suez Canal Company**

Now let me talk about the Universal Suez Canal Company. That is the company that originally built the canal and which, since 1888, has been the means of assuring that the canal would in fact be operated as a free and open international waterway as pledged by the 1888 treaty.

<sup>1</sup> For earlier U.S. statements on the Egyptian seizure of installations of the Suez Canal, see BULLETIN of Aug. 6, 1956, p. 221.

That company itself is a company of an international character. Registered in Egypt, it operates under a franchise given it by the Government of Egypt. Shareholders are of many nationalities, the board of directors is international, and the canal work—the building of the canal and the keeping of it in good repair—is supervised by an international body of engineers.

The job of that company is to see that the canal is open at all hours to the passage of all vessels of all the nations. This means it has to keep the canal in good operating condition; it has to provide qualified pilots for the transit of the ships through the canal; and it must organize and direct the two-way shipping, which is a rather complicated affair because it is very crowded and it is a canal of over 100 miles long and during most of the way ships cannot pass each other—so there is danger of collision. And the organizing of this thing is a very complicated bit of business.

Now here are a few very interesting statistics that I've put down. In 1955, 14,666 ships passed through the canal. They had a tonnage of over 115 million. They flew the flags of more than 40 different nations. They carried the products of all the world.

There are 187 pilots. They are from 13 nations—56 French, 52 British, 32 Egyptian, 14 Dutch, 11 Norwegian, and so on. Two of the pilots are Americans.

It is, by far, the world's greatest ocean highway. It has nearly three times the traffic that goes through the Panama Canal, where you and I were, Mr. President, just last week.

#### **Speech by President Nasser**

Now, why did President Nasser suddenly decide to take over this operation of the Suez Canal? Now, he has told us about that in a long speech that he made. And in that speech he didn't for a moment suggest that Egypt would be able to operate the canal better than it was being operated so as to assure better the rights that were granted under the 1888 treaty. The basic reason he gave was that if he took over this canal it would enhance the prestige of Egypt.

He said that Egypt was determined "to score one triumph after another" in order to enhance what he called the "grandeur" of Egypt. And he coupled his action with statements about his ambition to extend his influence from the Atlantic to the Persian Gulf.

And also he said that by seizing the Suez Canal he would strike a blow at what he called "Western imperialism." And he thought also that he could exploit the canal so as to produce bigger revenues for Egypt and so retaliate for the failure of the United States and Britain to give Egypt the money to enable it to get started on this \$1 billion-plus Aswan Dam.

Now President Nasser's speech made it absolutely clear that his seizure of the canal company was an angry act of retaliation against fancied grievances. No one reading that speech can doubt for a moment that the canal, under the Egyptian operation, would be used not to carry out the 1888 treaty better but to promote the political and economic ambitions of Egypt and what, as I say, President Nasser calls the "grandeur" of Egypt.

Now, of course, the government of a free and independent country—which Egypt is, and we want to have it always that—should seek to promote by all proper means the welfare of its people. And President Nasser has done much that is good in that respect.

But it is inadmissible that a waterway internationalized by treaty, which is required for the livelihood of a score or more of nations, should be exploited by one country for purely selfish purposes. And that the operating agency which has done so well in handling the Suez Canal in accordance with the 1888 treaty should be struck down by a national act of vengeance.

To permit this to go unchallenged would be to encourage a breakdown of the international fabric upon which the security and the well-being of all peoples depend.

And the question, Mr. President, as we've agreed, is not *whether* something should be done about this Egyptian act—but *what* should be done about it.

Now, there were some people who counseled immediate forcible action by the governments which felt themselves most directly affected. This, however, would have been contrary to the principles of the United Nations Charter and would undoubtedly have led to widespread violence endangering the peace of the world.

#### **Decision To Call Conference**

At London we decided upon a different approach. We decided to call together in conference the nations most directly involved with a view to



seeing whether agreement could not be reached upon an adequate and dependable international administration of the canal on terms which would respect, and generously respect, all of the legitimate rights of Egypt.

So today the British Government is calling a conference of 24 nations to be held on August 16. These 24 nations consist of three groups of eight.

First of all, the eight nations which are party to the 1888 treaty—this includes the Soviet Union and Egypt.

Then in the second group there are eight other countries not included in the foregoing category, whose citizens own the greatest volume of traffic that goes through the canal.

And then as a third group there are eight other countries not included in the foregoing categories, whose pattern of international trade shows a special dependence upon the canal.

These nations that are invited are truly representative and have a broad geographical and cultural diversification.

We believe that out of this conference will come a plan for the international operation of the canal which will give assurance that the objectives of the 1888 treaty will in fact be realized and that the canal will continue to be operated by those who feel that it is their duty to serve the international community and not to serve the special interests of any one nation.

This plan should both give security to the nations principally concerned with the canal and also fully protect the legitimate interests of Egypt. Egypt, we believe, should be adequately represented on this operating authority and be assured, also, of a fair and reasonable income for the use of the property, because the canal, although it is internationalized, is on Egyptian territory.

There is every desire that Egypt shall be treated with the utmost fairness. And, also, the owners and the employees of the now dispossessed Universal Canal Company should also, of course, be fairly treated.

If these principles are accepted by the conference, then we believe that they will also be accepted by Egypt.

As you know, Mr. President, it is one thing for a nation to defy just one or two other nations. But it's quite a different thing to defy the considered and sober judgment of many nations—nations which have treaty rights in the canal and which in

large part depend for their economic livelihood upon the operation of the canal in accordance with the 1888 treaty.

Now, I've been asked, "What will we do if the conference fails?" My answer to that is that we are not thinking in terms of the conference's failing. But I can say this: We have given no commitments at any time as to what the United States would do in that unhappy contingency.

I repeat, we assume, Mr. President—with you—that the conference will not fail but will succeed. And I believe that by the conference method we will invoke moral forces which are bound to prevail.

Mr. President, you and I have often talked about our Declaration of Independence and the principles that are set forth in that great document. And one of those principles is that to which the founders pledged themselves—that they would pay a decent respect for the opinions of mankind.

I believe, Mr. President, that most people pay decent respect for the opinions of mankind when these are soberly, carefully, and deliberately formulated. And because I believe that, I am confident that out of this conference there will come a judgment of such moral force that we can be confident that the Suez Canal will go on, as it has for the last 100 years, for the years in the future to serve in peace the interests of mankind.

#### *Concluding Remarks by the President*

Mr. Secretary, I think that everybody who hears you this evening will be certain you carried out this latest assignment in accordance with the principle which has always activated you—to uphold the interests of the United States in the international field with due regard for fairness to every other nation and with the objective of promoting peace in the world.

Thank you very much indeed, Mr. Dulles.

#### **ARRIVAL STATEMENT BY SECRETARY DULLES**

Press release 425 dated August 3

I return from 2 days of intensive talks in London, where I have conferred with Prime Minister Eden and with the Foreign Ministers of France and of Great Britain.

We dealt with the dangerous Suez situation. A week ago President Nasser of Egypt suddenly and arbitrarily seized the operating facilities of the Suez Canal and said that he would turn this vital international waterway into an Egyptian operation designed to promote, as he put it, the "grandeur" of Egypt.

We do not, however, want to meet violence with violence. We want, first of all, to find out the opinion of the many nations vitally interested because we believe that all the nations concerned, including Egypt, will respect the sober opinion of the nations which are parties to the internationalizing treaty of 1888, or, by its terms, entitled to its benefits.

So a conference of the 24 nations principally concerned has been called to be held in about 2 weeks to consider this problem. We would hope that out of this would come a solution which all the nations, including Egypt, will respect so that the danger of violence may be averted.

I plan promptly to report fully to President Eisenhower.

#### TEXT OF TRIPARTITE STATEMENT <sup>2</sup>

The Governments of France, the United Kingdom and the United States join in the following statement:

1. They have taken note of the recent action of the Government of Egypt whereby it attempts to nationalise and take over the assets and the responsibilities of the Universal Suez Canal Company. This Company was organised in Egypt in 1856 under a franchise to build the Suez Canal and operate it until 1968. The Universal Suez Canal Company has always had an international character in terms of its shareholders, directors and operating personnel and in terms of its responsibility to assure the efficient functioning as an international waterway of the Suez Canal. In 1888 all the great Powers then principally concerned with the international character of the Canal and its free, open and secure use without discrimination joined in the treaty and Convention of Constantinople. This provided for the benefit of all the world that the international character of the Canal would be perpetuated for all time, irrespective of the expiration of the con-

cession of the Universal Suez Canal Company. Egypt as recently as October 1954 recognised that the Suez Canal is "a waterway economically, commercially and strategically of international importance," and renewed its determination to uphold the Convention of 1888.

2. They do not question the right of Egypt to enjoy and exercise all the powers of a fully sovereign and independent nation, including the generally recognised right, under appropriate conditions, to nationalise assets, not impressed with an international interest, which are subject to its political authority. But the present action involves far more than a simple act of nationalisation. It involves the arbitrary and unilateral seizure by one nation of an international agency which has the responsibility to maintain and to operate the Suez Canal so that all the signatories to, and beneficiaries of, the Treaty of 1888 can effectively enjoy the use of an international waterway upon which the economy, commerce, and security of much of the world depends. This seizure is the more serious in its implications because it avowedly was made for the purpose of enabling the Government of Egypt to make the Canal serve the purely national purposes of the Egyptian Government, rather than the international purpose established by the Convention of 1888.

Furthermore, they deplore the fact that as an incident to its seizure the Egyptian Government has had recourse to what amounts to a denial of fundamental human rights by compelling employees of the Suez Canal Company to continue to work under threat of imprisonment.

3. They consider that the action taken by the Government of Egypt, having regard to all the attendant circumstances, threatens the freedom and security of the Canal as guaranteed by the Convention of 1888. This makes it necessary that steps be taken to assure that the parties to that Convention and all other nations entitled to enjoy its benefits shall, in fact, be assured of such benefits.

4. They consider that steps should be taken to establish operating arrangements under an international system designed to assure the continuity of operation of the Canal as guaranteed by the Convention of October 29, 1888, consistently with legitimate Egyptian interests.

5. To this end they propose that a conference should promptly be held of parties to the Conven-

<sup>2</sup> Issued at London on Aug. 2.

tion and other nations largely concerned with the use of the Canal. The invitations to such a conference, to be held in London, on August 16, 1956, will be extended by the Government of the U.K. to the Governments named in the Annex to this Statement. The Governments of France and the U.S. are ready to take part in the conference.

#### Annex

Signatories	Tonnage ownership	Proportion of Trade
United Kingdom	Norway	Australia
Netherlands	Germany	Iran
Spain	Danemark	Ethiopia
France	Sweden	India
Italy	U. S. A.	Indonesia
U.S.S.R.	Greece	Ceylon
Egypt	Japan	New-Zealand
Turkey	Portugal	Pakistan

### U.S. Position Regarding NATO Commitments

*Statement by Admiral Arthur W. Radford  
Chairman, Joint Chiefs of Staff<sup>1</sup>*

It is very unfortunate that numerous stories have appeared in the American and in the international press which took ideas and statements out of context and consequently have given rise to wholly unwarranted speculation and misinterpretation. Several representatives of the NATO countries have expressed concern over the alleged United States position with respect to NATO forces, and, to allay these apprehensions, I would like to convey to you the following information.

I wish to reaffirm that the United States has commitments to NATO and intends to honor those commitments. We recognize that the Military Committee is the authority which determines the strategic guidance on which force goals are based. Changes to the force structure must be made in the manner prescribed in the NATO documents. We have just completed our answers to the Annual Review Questionnaire, which will be reviewed by the NATO Council in December

<sup>1</sup>Read to the NATO Military Representatives Committee at Washington on July 23 by Lt. Gen. Leon Johnson, U.S. representative to the NATO Standing Group and Military Committee (Department of Defense press release dated July 26).

1956, and there were no significant changes over the U.S. answers of last year. We will not make any significant changes without following the normal NATO procedures. We expect that our allies will act in the same manner. Any major changes to the previously agreed NATO force commitments should meet with the concurrence and approval of the members of the alliance. If it comes to pass that NATO decides on a further review of force goals, we will meet with our allies and reexamine force levels.

You have my reassurance that the United States Government is not, nor does it have any intention of, unilaterally changing its NATO commitments.

### Congressional Members Added to Inaugural Delegation to Bolivia

Press release 418 dated July 31

The Secretary of State announced on July 31 the appointment of Senator Robert Humphreys and Representative Frank T. Bow as congressional members of the U. S. special delegation to the inauguration of President-elect Dr. Hernán Siles Zuazo, to be held at La Paz, Bolivia, on August 6, 1956. Dr. Siles, Vice President in the outgoing Bolivian administration, was elected on June 17, 1956, to succeed Dr. Víctor Paz Estenssoro.

Other members of the delegation whose names were announced previously<sup>1</sup> include Gerald A. Drew, U. S. Ambassador to Bolivia; Henry F. Holland, Assistant Secretary of State for Inter-American Affairs; Cecil B. Lyon, U.S. Ambassador to Chile; Charles H. Percy, President of Bell and Howell Corporation; Maj. Gen. Robert W. Douglass, Jr., U. S. Air Force; and George W. Blowers, Director of the Export-Import Bank of Washington. The delegation also includes a representative of the Department of State and ranking officers of the U. S. Embassy at La Paz.

### U.S. To Ship Wheat to Iran in Flood Relief Emergency

The United States will send up to 20,000 tons of wheat to Iran to help meet an emergency which has arisen there as a result of flash floods in the central part of the country, the International Cooperation Administration announced on July 30.

<sup>1</sup> BULLETIN of July 30, 1956, p. 187.

The wheat will be used to replace Iranian grain stocks which are now being used to help feed victims of the floods. Present Iranian grain stocks are considered barely adequate to meet the needs of the nonstricken areas.

The wheat is being supplied as a gift of the American people to the people of Iran under pro-

visions of title II of the Agricultural Trade Development and Assistance Act. This provision authorizes ICA to use U.S. agricultural commodities for emergency relief purposes abroad.

Arrangements are now being made to transport the grain, and it will arrive in Iran in ample time to prevent a grain shortage.

## The Problem of Peace in the Far East

*by Walter S. Robertson*

*Assistant Secretary for Far Eastern Affairs*<sup>1</sup>

I want to talk tonight about certain aspects of the problem of peace, with special reference to the Far East, which is the particular area of my official responsibility.

Of all the problems which beset our times the problem of how to bring peace to the world weighs most heavily upon the heart of man. The peoples of the world long for peace, for relief from tension and anxiety, for the assurance that they shall escape the frightful slaughter, suffering, and destruction of another world war, a war which, in this age of thermonuclear weapons, probably would spell the end of civilization as we know it. And here in America we long for normalcy, for prosperity, for relief from the ever-increasing burden of taxation imposed by a staggering debt of some \$275 billion and the huge sums required for our defense and mutual security programs. Nostalgically we long for the opportunity to enjoy the full fruits of our labors and of our national genius, untroubled by the ghastly spectacle of impending doom.

It is against this background of universal longing for peace that international Communist leaders, after years of aggression, violence, and vindictiveness, have suddenly begun to portray themselves as the apostles of peace, of peaceful coexistence, and of international good will. This

shift from threats to smiles, calculated to appear as a response to the universal craving for peace, came so suddenly that you can almost pinpoint the day.

In March 1955, once it became certain that, despite their dire threats, West Germany was to be brought into NATO and rearmed, the Soviets suddenly summoned the Austrian Chancellor to Moscow and accepted a treaty which they had rejected through 379 meetings over a period of 7 years. They promptly agreed to and welcomed a four-power meeting "at the summit" on the Western Allied terms. Swiftly they dispatched their top leader to Belgrade to recant the attacks made against Tito and "eat crow," such as the Soviets had never eaten crow before.

The Chinese Communists just as suddenly went into reverse. Chou En-lai, who had been even more vitriolic than the Russians in heaping abuse upon the free world, went into an accommodating switch when the signal came. With much publicity Chou proclaimed that five great principles should thereafter govern relations between nations. These principles might well have been written by Woodrow Wilson, so universally acceptable were they. Then at Bandung, in April 1955, Chou began to talk of the underlying friendship between America and the Chinese people, an historic fact which he had not previously deigned to recognize. At the same time he asserted his willingness to sit down and negotiate with us

<sup>1</sup>Address made before the Virginia Bar Association at White Sulphur Springs, W. Va., on Aug. 3 (press release 420 dated Aug. 2).



what he called "the peaceful liberation of Formosa," something he had repeatedly vowed he would never do.

The summit conference took place in Geneva in July 1955 in such an atmosphere of sweetness and light that a new phrase was coined to epitomize the new relationship. It was called the spirit of Geneva. There was nothing to challenge this spirit throughout the 5-day conference for the simple reason that there was no attempt to negotiate many of the stubborn, brooding issues that constituted the cold war. The Foreign Ministers conference, which was directed to take up these issues, met on October 27 and adjourned 20 days later, without reaching agreement on a single substantive issue. And so the fundamental issues of the cold war remained behind the new policy of peaceful talk and smiles.

Now the world is still evaluating another shift in the Sino-Soviet line—the removal of Stalin from his demigod pedestal and his installation as the official Communist whipping boy.

Now what does it all really mean? Does it mean that the Communists have had a change of heart? Is the denunciation of Stalin that is now going on confirmation of their sincerity, that they really have given up their objective of communizing the world and want to live in peaceful co-existence with their neighbors? Or does it only mean that at long last the Communists have come to realize that the free world cannot be intimidated, that force will be met with force, that further overt aggressions will not be tolerated; and that if they, the Communists, are to achieve their international objectives they must adopt a new tactic in the hope that the sweet talk of peace will find responsive chords in the hearts of people everywhere and that the free world, particularly the United States, will be lulled into letting down its guard spiritually and physically? The fate of generations to come will depend upon the accurate answer to this question.

Whatever the reasons, the evidence at hand is such that we must proceed with the utmost caution before beginning to tear down our protective fences. "Those who cannot remember the past," wrote George Santayana, "are condemned to repeat it." We cannot fail to remember that the Soviets have violated 25 major agreements with us during the last 20 years. We cannot fail to remember the dismantling of our forces following World War I and the fearful cost of our own

unpreparedness in 1941. We cannot fail to remember the dismantling of our military might following World War II and the bloody lesson of Korea—135,000 casualties and 15 billions of dollars of treasure—which gave us back our strength.

What is the evidence to which I refer? Perhaps the most eloquent testimony as to the true meaning of Communist tactics comes from the Communist leaders themselves—Soviet and Chinese alike. Their testimony must be weighed fully in our decision.

Of particular significance is a statement in a speech by Mr. Khrushchev, the number-one Soviet, on September 17, 1955, at a state dinner in Moscow given in honor of the East German Communist Premier: "Any one who mistakes our smiles for withdrawal from the teachings of Karl Marx and Lenin," said Mr. Khrushchev, "is making a mistake. Those who expect this will have to wait until Easter Monday falls on Tuesday."

Note here that Khrushchev, who led the movement to topple Stalin from his pedestal, is holding firmly to the philosophy of Lenin.

#### Teachings of Lenin

Now what are the teachings of Lenin to which Mr. Khrushchev gives fresh allegiance?

We are living [Lenin wrote] not merely in a state but in a system of states, and the existence of the Soviet Republic side-by-side with imperialist states for a long time is unthinkable. One or the other must triumph in the end. And before that end supervenes, a series of frightful collisions between the Soviet Republic and the bourgeois states will be inevitable.

Lenin depicted the Communist Party as a man ascending a steep, unexplored mountain who reaches an obstacle impossible to forward progress. "The man then," said Lenin, "must turn back, descend, seek another path, longer perhaps, but one which will enable him to reach the summit."

Lenin's summit was clearly defined. "First," he wrote, "we will take Eastern Europe, then the masses of Asia, and then we'll surround America, that last citadel of capitalism. We won't have to attack; it will fall into our lap like an overripe fruit."

In the frenzied haste to repudiate Stalin, not one word has yet been said by any Communist anywhere about renouncing the goals of Lenin, so far as the free world has been informed.

And what about the rulers of Red China? Have they wavered in their devotion to the fundamen-

tal principles expounded by Lenin? Again, the answer is vital to any sober evaluation of the Communist new look.

Mao Tse-tung, the unchallenged leader of the Communist Party in China, has been as explicit about himself as Hitler was about himself in *Mein Kampf*. Back in the early 1940's, when those silly books were coming out of Red China saying that the Chinese Communists were not really Communists but just agrarian reformers, Mao was writing of himself for all the world to read:

I am a Marxist, dedicated to communizing China and the world under the leadership of Moscow.

Chou En-lai said to me one day in Chungking back in 1945 with great irritation: "Why do these Americans come over here and go back home and write that we are not Communists, that we are just agrarian reformers?" And then, with a flash in his eye, he said: "We are not agrarian reformers; we are Communists and we're proud of it."

More recent testimony is volunteered by Liu Shao-chi, the official spokesman for the Chinese Communist Party, in a recent speech made in Peiping. Liu is not particularly well known in America, but he is a dedicated, philosophical Communist and happens to be the number-two man in the Chinese Communist Party, outranking the much publicized Chou En-lai. In his Peiping address some months ago, he had this to say:

The Soviet road is the road that all humanity must inevitably take, in accordance with the laws of the development of history. To bypass this road will be impossible. We have always believed Marxism-Leninism to be universal truth.

To review the long rollcall of nations who have been unable to bypass the Soviet road and are now enslaved by international communism is a melancholy exercise: Russia, Estonia, Latvia, Lithuania, Czechoslovakia, Poland, Bulgaria, Hungary, Rumania, Albania, East Germany, Mainland China, Outer Mongolia, Tibet, North Korea, North Viet-Nam—16 countries, including parts of countries, and over 900 millions of people. We might note in passing that, since 1945, some 650 million people have emerged from a status of dependency on Western powers into freedom and independence.

It is evident that the blueprint which Mr. Lenin bequeathed to his disciples has been followed with fanatical dedication, grimly proving that the much revered leader and master architect of the

Communist Party was no fantastic dreamer but a practical, ruthless, relentless realist. This is a hard, uncompromising fact which we cannot sweep under the rug of our present-day considerations.

Now let me address myself to the Far East, my own area of official responsibility.

### East Meets West

In what we are wont to call the good old days, almost every speaker began his talk about the Far East by quoting Kipling's famous lines: "East is East and West is West, and never the twain shall meet." He thus at one fell swoop relieved both himself and his audience of a multitude of problems which he thought would never be posed. But it is the next two succeeding lines which are of burning concern to us today. In reading them you get very much the same sensation that you do in looking at the photograph of an atomic explosion. Let's put the lines together:

East is East and West is West,  
And never the twain shall meet,  
Till earth and sky stand presently  
At God's great judgment seat.

Yes, at long last the poet's prophecy has been fulfilled. East and West have met, and in the meeting there has mushroomed a cloud of mighty problems, problems which will require the utmost in faith and wisdom and patience of which both East and West are capable if the Asian nations are to survive in freedom—deep resentments of Western colonialism, overpopulation, mass poverty and ignorance, shortage of educational facilities, poor public health, shortage of investment capital, economic and political instability, social unrest, deep suspicion of the white man, and, overriding all, the aggressions, infiltration, and subversion of international communism.

Communist objectives in Asia have long been recognized and clearly defined: the manpower of China, the industrial capacity of Japan, the raw materials and excess food of Southeast Asia.

Objective number one already has been achieved—China's manpower. The attack on Korea in 1950 was, in the opinion of many, the first step toward Japan's industrial resources. The war in Indochina, sparked and supplied by the Red Chinese, marked the beginning of the Communist bid for Southeast Asia. If these three objectives are ever realized, our Pacific frontiers might well be pushed back to the west coast and



Lenin's dream of surrounding America would be well on its way to fulfillment.

Today, as I have said, the Chinese Communists have shifted their tactics in concert with the Soviets. They are pressing ahead with a campaign of cultural exchange, of trade, and even of economic aid at the expense of their own sorely pressed economy. Reasonably enough, there are those who therefore ask whether these developments presage any abandonment of the Chinese Communist objective of world domination.

Now, in exploring the road to peace, there are a number of questions that we must ask in search for signs that the Communists are really turning over a new leaf.

The first question I would ask relates to Korea. The fighting in Korea ended with the signing of the armistice in July 1953. The armistice was designed to preserve the military balance until a political conference could be arranged to conclude a political settlement.

The Communists have cynically disregarded the armistice agreement's reinforcement provisions. They have brought into North Korea since the signing some 450 modern aircraft, over half of which are jets, and have brought in other combat materiel, greatly strengthening their striking power, in violation of the armistice terms. Despite propaganda about the withdrawal of Chinese Communist troops, the Chinese Communists still keep some 350,000 troops in North Korea, which, together with the North Koreans they have trained, gives them a formidable army of approximately 700,000. When the United Nations tried in negotiations at Geneva to arrange for the unification of Korea, the Communists insisted upon terms which would have meant simply turning over South Korea to the Communists. The Communists have repeatedly reasserted this position and the obviously false claim that they were the victims rather than perpetrators of aggression in 1950.

So we now ask, as we asked for 2 months at Geneva in 1954: Are the Communists prepared to observe the armistice they have signed; are they prepared to withdraw their forces and renounce their aggression in Korea; are they willing to agree to free elections under the supervision of the United Nations?

A second unanswered question relates to Viet-Nam, unhappily divided into two parts by the Geneva settlement of July 1954. The northern

half of the country is under the iron control of the Communist Viet Minh. The southern portion, under the guidance of Prime Minister Diem of the Republic of Viet-Nam, is steadily progressing on the difficult road toward full-fledged democratic statehood.

By May 1955, the date of completion of the Red takeover in North Viet-Nam, more than 800,000 refugees had fled south to escape the Communist enslavement. These refugees, along with 12 million of their fellow countrymen in Viet-Nam, aspire for the unification of their country as a sovereign state, pursuing its destiny free of all foreign domination. These millions are passionately opposed to communism and to any scheme for unification under communism.

Meanwhile, there has been a strong buildup of military strength by the Communist-controlled Viet Minh, in callous violation of the cease-fire agreement. The effective strength of their fighting forces has been more than doubled; their artillery firepower increased by sixfold. They have brought in other combat materiel prohibited by the cease-fire agreement. These forces were supplied and trained by the Red Chinese.

And so, my second question is: Will the Communists permit reunification of Viet-Nam as a free and independent state?

Perhaps the gravest threat to peace in the Far East relates to the Communist attitude toward Formosa, the seat of the National Government of China. This fertile island is a link of great strategic importance in our chain of island defenses in the Pacific. It is also the home of 10 million Chinese who are staunch enemies of communism. The Chinese Communists have declared that they will use force, if necessary, to conquer Formosa and bring its people under Communist domination. This the United States is determined to prevent and to this end has entered into a mutual defense treaty with the Government of the Republic of China. For an entire year we have been endeavoring to extract from the Chinese Communists, through our Ambassador Johnson at Geneva, a pledge to renounce the use of force in the settlement of the Formosan problem.

Now the renunciation of the use of force does not require the abandonment of national objectives. It only requires that a nation pursue its objectives by peaceful means. This is a principle which has been accepted universally by civilized states and is fundamental to the charter of the

United Nations. Up to the present time, in our long-drawn-out discussions in Geneva on this subject, the Chinese Communists have doggedly refused to agree to refrain from the threat or use of force against Formosa. And now they are feverishly engaged in the construction between Shanghai and Canton of 10 new airfields capable of handling modern jet combat planes; they are building a strategic military railway into Amoy harbor; they are greatly multiplying their gun emplacements, greatly augmenting their striking power against the island.

So, we ask yet another question: Are the Chinese Communists prepared to renounce the use of force in the achievement of their political objectives?

And what of our American citizens, unjustly imprisoned, many of them tortured, and still held in Red China nearly 11 months after the Chinese Communists had pledged at Geneva to take steps so that these Americans could expeditiously exercise their agreed right to return home? Are the Chinese Communists now prepared belatedly to make good on this public promise?

There are similar questions to be asked in Indonesia, Burma, Cambodia, Laos, Thailand, Malaya, Singapore, Japan, and the Philippines, and in Europe, Africa, the Middle East, and the Near East, but the evening is not that long.

Red China, as I have shown, is the mighty instrument of Communist power in Asia. With its dedicated international Marxist leaders it is like a giant octopus with tentacles of infiltration and subversion stretching into every country of the area.

This is the regime, still in military occupation of North Korea in defiance of the United Nations, subverting the Geneva accords in Indochina, threatening war in the Formosa Straits. This is the regime which some people contend should be admitted to the United Nations as a "peace-loving" state. Congress spoke clearly on this subject shortly before it adjourned. By joint resolution of July 23, 1956, Congress went on record unanimously, 391 to 0 in the House of Representatives and 86 to 0 in the Senate, against the admission of Communist China to the United Nations. Nothing could have shown more clearly the strength of the feeling of the American people on this subject. It is earnestly hoped that this will help to dispel the illusion of some of our allies that this question somehow is a partisan political issue in the United States.

#### Policy of U.S.

Now in asking our questions concerning the Communist intentions toward the nations of the Far East we must at the same time keep in mind the necessity for attuning our own policy to the needs and aspirations of its peoples if we are to effectively help them resist the Communist threat. What is our policy? What do we want of the world? For what are we willing to sacrifice so much?

However complicated its implementation may be, our policy can be stated quite simply: Our one objective is a world of free nations, having the opportunity of working out their own national destinies in peace and freedom, unthreatened by Communist domination. Our mutual defense treaties, our huge military expenditures, our military and economic programs are all dedicated to this end. We want this both for humanitarian and for selfish reasons. We have learned at bitter cost that freedom is indivisible, that what endangers the freedom of others endangers our own, that a free world is the only kind of world in which the values we put above life can survive.

Reporting to the Nation last November after the ill-fated four-power Foreign Ministers conference in Geneva, Secretary Dulles restated America's confession of faith:

We believe [said Mr. Dulles] in justice for all and in the right of nations to be free and the right of individuals to exercise their God-given capacity to think and to believe in accordance with the dictates of their mind and conscience. We shall not cease to pursue these objectives or ever seek a so-called peace which compromises them.<sup>2</sup>

Of course I need not tell you, ladies and gentlemen, that the American people do not want war with any nation, that the President of the United States is a man dedicated to peace. We have committed ourselves to explore every avenue for the relaxation of tensions. We will seek permanent peace by every honorable means, but peace at any price is not peace at all. If peace only meant freedom from war, we could guarantee a peaceful world tomorrow—on Communist terms. But what kind of world would it be? A police state, a silent world of subjugation where no free voice is ever heard.

Speaking in Philadelphia in August of last year, President Eisenhower stated our case:

<sup>2</sup> BULLETIN of Nov. 28, 1955, p. 870.

There can be no true peace [he said] which involves acceptance of a status quo in which we find injustice to many nations, repressions of human beings on a gigantic scale, and with constructive effort paralyzed in many areas by fear. . . . The peace we want—the product of understanding and agreement and law among nations—is an enduring international environment based on justice and security. It will reflect enlightened self-interest. It will foster the concentration of human energy—individually and organized—for the advancement of human standards in all the areas of mankind's material, intellectual, and spiritual life.<sup>2</sup>

And so we come to the heart of the matter—why it is that there are questions we must ask as we attempt to assess the so-called “new look” of the Communist world; why it is that we must have answers to these questions before we can lower our guard and abandon our defenses.

The issues which divide the Communist world from the free go far beyond any competition of strategic geography or of social and economic systems. The world we must live and strive in stands apart in its separate conception of the nature and meaning of life, of man's relation to the state, and indeed of his relation to God. It is this conflict of philosophy and government that everywhere cuts across the specific problems before us.

In closing I should like to remind you of an oft-repeated ancient Chinese proverb. It is in the form of a question and answer: “What is the cure for muddy water?” the question goes. “Time,” is the answer.

Yes, time is on our side, as it always is on the side of the free, whatever the discouragements and setbacks might be. In the long rollcall of history, nazism and fascism will be episodes only—dark incidents, if you will. So, too, will communism be, although the most evil and pervasive of the three. Man was not created for, nor will he permanently endure, the ruthless regimentation of Communist slavery.

Already the signs are multiplying that the victims of communism are becoming restless under the yoke. The brave defiance of the East Germans in June 1953; the recent bloody rioting in Poznan, Poland, for bread and freedom; the rumblings of discontent in Czechoslovakia and Hungary; the present uprisings in Tibet are reminders that the human spirit is unconquerable.

“Success in establishing a just and durable

peace,” said President Eisenhower in a recent address, “may be long in coming, but there is no force so capable of helping to achieve it as the strength, the might, the spirit of 165 million free Americans. In striving toward this shining goal, this country will never admit defeat.”

## ICA Programs for Far East Total \$767 Million in Fiscal Year 1956

The U. S. economic and technical assistance program in countries of the Far East totaled about \$767 million during the fiscal year ended June 30, the International Cooperation Administration announced in a summary issued on July 23. This figure excludes direct military assistance, such as planes and tanks.

Nine countries make up Ica's Far Eastern area of operations: Cambodia, China (Taiwan), Indonesia, Japan, Korea, Laos, the Philippines, Thailand, and Viet-Nam.

The significance of the economic segment of the year's mutual security program in the Far East is apparent when compared to previous years:

- In 1956 these nine Far Eastern nations received 58 percent of U.S. worldwide economic and technical assistance.

- In 1953 they received only 12 percent.

- In 1954 this rose to 51 percent; in 1955, to 55 percent.

- By comparison, Europe received 66 percent in 1953 and only 8 percent in 1956.

Since the end of World War II, six of the nine Far Eastern nations participating in the mutual security program have endured armed conflict with rebel and Communist-assisted forces. They have been and still are threatened by external Communist aggression as well as significant efforts at internal subversion.

Between them these nine nations—five of which have only recently achieved independence—have a total population of about 300 million, or about one-sixth of the total free-world population. Most of their peoples live on small farms of about one to two acres. Population density, however, varies dramatically, ranging from 16 people per square mile in Laos, to 1,000 or more in some parts of Java and in Japan.

The Ica assistance is designed to further the goal which President Eisenhower in his foreign-

<sup>2</sup> *Ibid.*, Sept. 5, 1955, p. 376.

aid message to Congress on March 19<sup>1</sup> described as "an enduring peace with justice." In his message the President said:

We must continue to work with other countries to insure that each free nation remains free, secure from external aggression and subversion, and able to develop a society marked by human welfare, individual liberty, and a rising standard of living. . . . Peace with justice remains the sole objective of our mutual security programs.

The bulk of the Far Eastern aid—close to \$600 million or about 78 percent—is going to Korea, Taiwan, and Viet-Nam. These three country programs are among the largest financed anywhere by Ica. Seven of the nine countries—all but Japan and Indonesia—are receiving defense-support funds, amounting to almost \$730 million. All nine countries participate in the technical cooperation programs, to which the United States is contributing about \$34 million for the year.

The defense-support programs contribute directly to the security of the United States and the free world by helping cooperating countries to maintain the armed forces needed for effective defense, often larger than the nations could support by themselves. At the same time, defense-support programs help achieve a rate of economic progress essential to the maintenance of financial and political stability.

The technical cooperation programs provide the sharing of skills, knowledge, techniques, and experience of the United States in many fields such as health, agriculture, education, and public administration.

The fiscal 1956 programs required a record number of about 2,000 American technicians in the nine countries, including those sent under Ica-financed contracts with universities and other private organizations or firms. More than 3,400 nationals of the participating countries will study or train in the United States with financial assistance from the 1956 funds.

The total nonmilitary programs, country-by-country for the 1956 fiscal year, announced for the first time, are shown in the accompanying table.

Over and above the amount approved for country programs, there is also a \$100-million Asian Economic Development Fund for assisting projects which benefit two or more nations. This

fund is available over a 3-year period for use in the Far East and South Asia.

Of the \$767 million in the nine country programs, about \$560 million is being used largely to finance imported commodities, mostly of U.S. origin, which will be sold for local currencies in the countries concerned. Nonindustrial imports include about \$140 million worth of American surplus agricultural products.

These salable goods include such items as fertilizer for farmers, petroleum products, machinery and vehicles, and raw materials necessary to maintain the functioning of essential economic activities. The goods are sold to consumers, farmers, and businessmen for local currency, which then may be used for direct support to the country's military effort or for local currency costs of development projects which help increase the country's capacity for self-support, help it attain the economic strength necessary to preserve independence, and help it to achieve better living conditions.

It is planned that one-half of the proceeds derived from the sale of Ica-financed commodity imports, or the equivalent of about \$280 million, will be used for the direct support of country military efforts. The remaining local currency will be used for purposes not directly military, but which indirectly contribute to the ability of the country to maintain its defense effort.

Typical dual-purpose projects which serve both a military and an economic purpose include the construction or improvement of highways and bridges, railways, harbors, and telecommunications facilities.

The balance of the \$767 million, or about \$207 million, is being used to pay for technical services, supplies, and equipment that Ica furnishes for projects in agriculture, transportation, industry, education, health, and public administration.

#### Korea

Ica's fiscal 1956 program for Korea amounted to \$322 million in defense support and \$5 million in technical cooperation—a total of \$327 million, exclusive of military aid. This represented the largest amount of economic assistance going to any country in the world.

Korea provides the most clear-cut instance of the need for the defense-support program. A country the size of Indiana, with a population of

<sup>1</sup> BULLETIN of Apr. 2, 1956, p. 545.



# NONMILITARY PROGRAMS, FISCAL 1956

[In millions of dollars]

	Technical cooper- ation	Defense support	Devel- opment assist- ance	Total
Cambodia . . . . .	2.0	43.2	. . . . .	45.2
China (Taiwan) . . . . .	3.3	70.0	. . . . .	73.3
Indonesia . . . . .	7.0	. . . . .	4.1	11.1
Japan . . . . .	.95	. . . . .	. . . . .	.95
Korea . . . . .	5.0	322.0	. . . . .	327.0
Laos . . . . .	1.0	47.7	. . . . .	48.7
Philippines . . . . .	5.9	23.2	. . . . .	29.1
Thailand . . . . .	5.0	29.5	. . . . .	34.5
Viet-Nam* . . . . .	3.5	193.7	. . . . .	197.2
Totals . . . . .	33.65	729.3	4.1	767.05

\*In addition to the funds provided for Viet-Nam in fiscal 1956, about \$75 million allocated to that country in 1955 was carried on to the 1956 program. These funds represent estimated "savings" on the 1955 military support program under which ICA provided local currency to supplement Viet-Nam's own resources in maintaining its large armed forces.

22 million and a per capita gross national product of \$80, the Republic of Korea maintains 20 army divisions—the same number as does the United States.

The U.S. aid makes possible Korea's maintenance of the large forces which are necessary to deter renewed Communist aggression and, at the same time, enables the country to build toward a more viable economy and improved living conditions. The ICA assistance has emphasized the rehabilitation of the nation's transportation, communications, power, mining, and agriculture.

The country is being brought closer to the objective of eventually bearing a greater share of the cost of both its military and its development effort. It is training technical and administrative personnel with our aid, and generally strengthening the governmental services for the people.

The severe power shortage is being relieved by the construction of three new electric plants. The railroad network has been further restored and improved under the 1956 program. Roads, bridges, port installations, and telecommunications facilities continue to receive assistance. Light industries have been rehabilitated and developed, and a fertilizer plant is under construction which will supply one-third of Korea's nitrogenous fertilizer requirements. ICA sent \$57 million worth of fertilizer to Korea during the year.

## China

In China (Taiwan) U.S. aid is helping the Government of the Republic of China in its efforts to strengthen its defense forces, to maintain price stability, and to increase the island's industrial and agricultural production. Partly as a result of U.S. aid, production of goods and services per person in 1955 was 25 percent above 1950; industrial output rose 95 percent; farm crop production increased 18 percent; electric-power generation increased 89 percent; and railway freight ton-mileage increased 79 percent. Despite these gains, Taiwan's production is still inadequate to maintain, with its own resources, a viable economy and a defense establishment necessary to counter the threat from Communist China.

The United States and the Chinese Governments consider that emphasis should be placed on industrial development as the best approach to the buildup of Taiwan's capacity for eventual self-support. Some of the major industrial development projects to which U.S. aid is contributing are electric power, transportation, and a variety of manufacturing plants.

## Cambodia, Laos, and Viet-Nam

Cambodia, Laos, and Viet-Nam, three newly independent countries, are using U.S. aid to help provide adequate support to their military forces; to establish banks and other financial institutions required for operating financially as independent nations; to recover from the damage and dislocations due to war and the results of the Geneva settlement; to strengthen essential government services, including the training of personnel; and to lay foundations for longer-range economic development.

## Viet-Nam

In Viet-Nam the largest share of the ICA aid goes for the support and strengthening of the Vietnamese National Army. In addition, the U.S. program is helping Free Viet-Nam with the restoration and improvement of highways, inland waterways, and irrigation facilities; an extensive agricultural program, including resettlement on abandoned agricultural land, implementation of the government's land reform program, and development of rural credit facilities for farmers; the improvement of primary and vocational

education; and improvement of public administration.

Thirty-seven million dollars from the fiscal 1956 funds are being devoted to programs for the resettlement of the 660,000 civilian refugees from the Communist north and their absorption into the country's economy.

#### **Laos**

In Laos by far the greatest part of ICA's aid is helping the Government to support and strengthen its army and police. Other programs are helping Laos restore and improve transportation and communications, strengthen public services, improve its agricultural production, and bring about a better utilization of the country's resources. A management firm has been sent by ICA for 2 years to help the Lao Government establish and operate a procurement office for the import of capital and consumer goods and military support items and to demonstrate foreign trade operations to the local mercantile and business community.

#### **Cambodia**

In Cambodia about half of the total aid funds are being used to support the local currency costs of the army. The 1,000-year-old Siem Reap irrigation system is being rehabilitated and the port of Phnom Penh dredged. ICA is financing the engineering and construction of a \$15-million all-weather highway to connect Phnom Penh with the deep-water port which the French are building on the Gulf of Siam and helping with the costs of other road rehabilitation. Aid is also being given in teacher training, school curriculum, and textbook preparation; equipping of vocational and agricultural schools; training of nurses and health technicians; strengthening of the Ministry of Information; and improvement of environmental sanitation.

#### **Japan**

ICA's assistance to Japan is limited to technical cooperation, given through the Japan Productivity Center, organized and sponsored by Japanese business and industrial leaders and given official Japanese Government recognition and support. The free labor unions participate in its activities. U.S. funds in this program finance the services of American technicians in Japan and help pay for visits of Japanese groups—govern-

ment, management, and labor—to the United States and other countries to study measures for increasing Japan's efficiency in engineering design, quality control, packaging and marketing, and improvement of industrial management and labor relations.

From Public Law 480 surplus agricultural sales proceeds, the yen equivalent of \$59.5 million has been loaned to Japan for economic-development projects, including agricultural programs, in conjunction with ICA. Up to \$49.4 million more from 1956 surplus agricultural sales to Japan is to be loaned for developmental purposes.

#### **Thailand**

Economic aid to Thailand, which had consisted of only technical aid prior to fiscal 1955, was substantially expanded by the inauguration of defense support after the fall of North Viet-Nam to the Communists. Particular attention is being given to improving public administration, expanding transportation and communications facilities, providing budgetary support for certain military projects, expanding and diversifying agricultural production and the economic base of the country generally, improving essential governmental services to the people, and promoting increased solidarity with neighboring free nations by joint planning and execution of projects of mutual interest.

Key parts of Thailand's road network are being improved to increase the mobility of defense forces and facilitate economic growth. ICA has already provided \$13 million to start construction of a modern hard-surfaced highway planned to connect Bangkok with the underdeveloped northeast region. Work started in November 1955 on the first section of the new road, about 100 miles in length.

About 25 percent of the defense-support funds for Thailand are being used to generate local currency to help finance construction of military and naval training facilities.

U.S. aid in combating malaria has helped Thailand make rapid progress against the disease, and within a year it is expected that this former number-one killer will be under control throughout the country. Small- and medium-sized industries are being helped to expand, and projects ranging from automotive maintenance facilities to the introduction of Puerto Rican sweet potatoes—producing twice the quantity of potatoes that



the native plants had produced—are being assisted.

#### Indonesia

Aid to Indonesia was increased 47 percent this fiscal year, from \$7.2 million in fiscal 1955 to \$11.1 million in 1956. This is the largest program yet undertaken in Indonesia and emphasizes the training of technical and managerial personnel in agriculture, industry, health, education, and public administration and the improvement of production techniques in agriculture and industry. Major projects include agricultural extension, land reclamation, contracts with American universities to assist Indonesian universities in improving medical, engineering, and industrial education, a contract for the preparation of educational films, and the training in the United States of nearly 300 Indonesians a year in technical subjects.

Most spectacular is the "blitz" campaign against malaria, aimed at eliminating malaria within 5 years in this sixth most populous country in the world. The \$4.1 million in development assistance to Indonesia supplemented the technical cooperation funds by providing supplies and equipment for two important projects—malaria control and civil police administration. The malaria program, worked out with the assistance of American technicians under the technical cooperation program, is being implemented much more rapidly because dieldrin and spraying equipment worth \$2.7 million are also being provided with the development-assistance funds.

#### Philippines

The villagers and small farmers in the Philippines are sharing with industry the benefits from the \$29.1 million in aid which Ica is providing. Of the total funds, \$4.2 million is in support of an expanded rural-development program; \$7.6 million is to import equipment and commodities needed for projects to expand and diversify the base of the Philippine economy—in particular, rural road construction, port and harbor improvements, rural health units, and water-supply and land-development projects; \$5.9 million is for technical cooperation in the fields of public administration, education, agriculture, labor, and industry, for training Filipino technicians in the United States, for technical advisory services of U.S. personnel, and for supplies and equipment

for demonstration and instruction in all major fields of activity; \$6.7 million is to provide local currency for an industrial loan program; and \$4.7 million is to continue the military construction program begun in fiscal 1955 in connection with the reorganization of the Philippine Army.

Most of the U.S. aid is in support of President Magsaysay's comprehensive economic-development program, for which the Philippines is budgeting \$79.5 million of its own funds this fiscal year to encourage industrialization under private business, to improve government services, to expand transportation and communications facilities, and to improve the living conditions and earning capacity of the rural population, who make up 70 percent of the Philippines' 22 million people.

### Simplifying Customs Procedures

*Statement by President Eisenhower*

White House press release dated August 2

I have today approved H. R. 6040, the Customs Simplification Act of 1956.

The heart of this measure is a revision of valuation procedures. This change will do more than any other single measure to free the importation of merchandise from customs complications and pitfalls for the inexperienced importer. It allows our customs value decisions to be based on normal commercial values current in trade with the United States. It permits businessmen to predict with greater certainty the amount of tariff duty to be paid on imports. It simplifies the valuation work of the Bureau of Customs and reduces delay in the assessment of duties.

I am also particularly gratified to approve H. R. 6040 because it marks the culmination of the legislative proposals which this administration has made for customs simplification and customs management improvement. The Customs Simplification Act of 1953 made many important changes in customs administrative provisions which have resulted in more certain and equitable duty assessments. The Customs Simplification Act of 1954 began a study by the United States Tariff Commission looking toward a much-needed revision of the tariff classification schedules of 1930 and made helpful changes in the administration of the antidumping laws. With the passage of H. R.

6040 all of the principal improvements relating to customs procedures recommended on January 23, 1954, by the Commission on Foreign Economic Policy, which I endorsed in my special message of March 30, 1954, have now been authorized or undertaken.

The legislation previously passed by the Congress, together with the regulatory and administrative changes made by the Treasury Department and the Bureau of Customs, have in the past 3 years cut the average time required for a final decision on customs duties from about 1 year to less than 6 months. Further progress in this

direction is expected, and I am confident that H. R. 6040 will contribute to it.

It cannot be said that our work is completed, because customs simplification and procedural improvement problems require continuous attention. However, all of these measures add up to a record of real accomplishment in the administration's program for greater certainty, fairness, and efficiency in customs administration. They represent real progress in facilitating the expansion of our trade with other nations, an essential step in strengthening our own economy and the economies of the free world that are linked to ours.

## Countering the Soviet Threat in the Far East

by Howard P. Jones

*Deputy Assistant Secretary for Far Eastern Affairs*<sup>1</sup>

The international Communists are presenting a new face to the world. This new face is being exhibited on all sides, internally and externally. Internally, it is dramatically displayed in the famous "de-Stalinization" campaign. Externally, it is demonstrated in the openhanded visits of Khrushchev and Bulganin to Rangoon and Karachi, Djakarta and New Delhi; the application of the baby-kissing, gift-bearing technique to the world in general and Southeast Asia in particular.

A few years ago in Berlin, Germany, I spent an evening with a patriotic Russian who had defected from the Soviet headquarters in Berlin. Some of you may have read the book which he later wrote. If not, I commend it to you. His name is Klimov. The book he wrote was entitled *Terror Machine—The Inside Story of the Soviet Administration in Germany*.

Major Klimov was maintaining that the majority of the Russian people were against the regime in the Kremlin.

"But that is most difficult for me to believe," I

protested. "Thirty years have passed—a new generation of Russians has grown up. They know nothing of the outside world and they have been fed propaganda continuously. How could their minds challenge the all-powerful masters of the Kremlin?"

Klimov was silent for several moments. Finally, he said, "Nevertheless, I am right. Perhaps I can explain it to you this way. A human being—any human being—reacts alike to certain stimuli. He reacts alike to hunger, he reacts alike to thirst, and he reacts alike to injustice. And Russia is full of injustice!"

When Dictator Stalin was toppled from his throne in Communist history recently, the world wondered whether this represented a response to internal pressures of the kind Klimov was talking about or whether it was simply another tactic, another false face for the Soviets to present to the world. It had great significance—of that everyone was convinced. In effect the new Soviet posture repudiated two decades of Stalinism. But whether this was the leopard changing its spots or merely blaming its spots on the past was a question still to be answered. Also whether this

<sup>1</sup> Address made before the South Atlantic Regional Conference of the American Association of University Women at Huntington, W. Va., on July 16.

was simply a tactic conjured up by the leaders of the regime for their own purposes, or whether it represented response to internal pressures, a recognition that something must be done about domestic injustice and resultant discontent, was not known.

As time has gone by, however, evidence has been accumulating to indicate that this Soviet new look was, in fact, a reaction to internal pressures about which something had to be done. The international repercussions of de-Stalinization in Iron Curtain countries could hardly have been foreseen, and these too indicate that all was not well behind the Curtain and that, as Klimov put it, human beings were reacting alike to injustice—in Poland, in East Germany, in Hungary, even within the disciplined Communist Parties within Free Europe, as well as in Russia.

There is more hope on the Iron Curtain horizon, in other words, than we have seen in a long time. We in the Department of State believe, as Secretary Dulles pointed out last week,<sup>2</sup> that "there are processes at work which will require Soviet policies to become responsive to the will of the governed. . . ." We do not expect any sudden transformation, but we do look for new forces to begin to take charge of the situation in this second post-war decade which will lead to a transformation of the international scene.

#### Effect in Far East

But what of the effect of all this in the Far East? Behind the walls of Communist China, the effect of de-Stalinization as such remains an enigma. In the great stretches of Southeast Asia, the ripples were few if any. Indeed, most of the people, except for Moscow-dominated Communist leaders in countries like Indonesia and Burma, if they have heard of communism at all, think of it in terms of a local political party and judge it by the positions taken on local issues. More meaningful to these countries was another aspect of the new Soviet look—the Communists bearing gifts. Khrushchev and Bulganin had, in fact, brought an apparent change in Soviet policy to Southeast Asia in realistic terms that could be measured in cold cash. To Indonesia, to Burma, to India, to Pakistan, to Cambodia, to Laos—the Communists were offering economic and technical

assistance. They emphasized that there was a big difference between their aid and ours—their aid, they said, was "without strings."

In Djakarta last year a young newspaperman came up to me and said, "I want to ask an embarrassing question." Something had been bothering him. "It is this," he said. "What are America's motives in helping Indonesia? What do you want? You must want something. What is it—what are you after?"

It was a question I was to hear repeated time after time by intelligent Asian leaders who felt that they had reached a personal relationship which would permit them to ask what they felt was a very blunt question. It was a question keynoting the suspicion of the West that exists in many quarters in these new nations. It was a question which, answered satisfactorily in terms which an Asian could accept, would eliminate the corroding suspicion that is America's most difficult foe in the Far East.

The answer, of course, is a simple one. Indonesia is interested in maintaining its freedom and independence. America is interested in helping Indonesia maintain its freedom and independence. And so we have an identity of interest with any Asian country, be it neutralist or not, which wants to remain free. And our aid programs have been designed to that end.

But now the Soviets have moved in. Theirs is a program which cannot be discounted. While an imitation, it is also a challenge to our own efforts in this part of the world. And there is a danger here that our Asian friends do not always appreciate. The new Soviet approach is often referred to as economic penetration of Southeast Asia. It is more accurately defined as political penetration by economic means.

#### Soviet Promises to Burma

Take the country of Burma—a small, fertile country made famous for us by Kipling. Let us see what is happening "from Rangoon to Mandalay."

The Soviets reportedly have offered economic aid and technical assistance without strings in any amount that Burma will accept. They have promised to construct as a gift to the people of Burma an M. I. T. or a Georgia Tech—that is, an institute of technology in Rangoon. They will build dormitories, classrooms, and auditoriums.

<sup>2</sup> BULLETIN of July 23, 1956, p. 146.

Laboratories with complete equipment will be constructed, they say, for an institution that will take care of 1,000 undergraduates and 100 graduate students.

Burma is a country whose 20 million people live on rice. When I say "live on rice," I do not mean merely that they eat rice. Burma is a part of the great rice bowl of Asia, and 75 percent of the foreign exchange which Burma must have to pay for imports she requires comes from rice. In fact, directly or indirectly, about 50 percent of all the government revenues of Burma comes from rice.

Unfortunately, the United States also produces rice. Rice is a surplus commodity in the United States. There is only one place where people eat rice in large quantities and that is in Asia—so the United States Government sells rice to Asia under concessional terms. Whether we like it or not, we thus become a competitor of Burma.

At this point I want to insert a caveat. Every effort is made by the United States Government to insure that surplus rice is not, in fact, dumped into Asia in competition with Burma and Thailand and other Asian countries which produce rice. Every effort is made to insure that—

(1) the country purchasing American rice makes its normal purchases from other Asian countries so that in effect the American rice sale will be over and above the amount that would be otherwise purchased;

(2) no rice is sold for local currencies to countries which would have the foreign exchange to buy rice from their normal suppliers;

(3) prior consultations are held with the governments of the primary producing countries to insure that the sale of our surplus rice does not hurt them.

Nevertheless, the position in which this puts the United States versus the Soviets is not altogether satisfactory. For example, last year Burma had a million tons of rice she could not sell. Khrushchev and Bulganin arrived in Rangoon. "We will take your rice," they said. "We will buy all of it. What's more, we will contract to buy large quantities for the future." And they sat down and signed a contract to buy 400,000 tons of rice each year for the next 4 years.

Let us see what that means. Translated into dollars, this contract runs to about \$160 million. What are the Soviets going to pay for the rice? Are they going to pay in dollars, or sterling, or

other forms of cash? Of course not. For that rice, Burma will get Soviet equipment, Soviet capital goods, Soviet machinery, Soviet technicians. When parts wear out, spare parts will flow in from the Soviet Union, not from the factories of the United States and the rest of the free world. How long can a country economically dependent upon the Soviet Union remain politically independent?

Moreover, every Soviet citizen who enters Burma will be an agent under Communist control. That is how the weapon of penetration by economic means works. All this emphasizes that the new look in Moscow is not yet less dangerous than the old look to free-world countries which want to remain free.

### **Tactics in Indonesia**

Similarly, offers of economic aid have been made by the Soviets to Indonesia. In Indonesia, however, the Communists have so far primarily used another weapon, the weapon of a vigorous, well-financed local political party. Millions of dollars were spent in Indonesia last year by the Communists. When one drove through the countryside of Indonesia, Communist streamers were spread across the road above one's head, from tree to tree. New Communist schools were in process of construction. Everywhere one looked or listened, Communist meetings were being held and Communist orators were speaking.

These people were all things to all men. In Surabaya, Communist speakers carried copies of the Koran from which they quoted in their speeches. This, of course, was in 100 percent Moslem territory, where the people believe in God.

In north Sumatra, a political party called the Islam Communist Party was organized. Asian peoples living in their small villages and cities, still largely isolated from the world of international struggle, are politically unsophisticated, naive. They know little of what communism means. When Vice President Hatta of Indonesia heard of the formation of this new political party, the story is told that he flew over to north Sumatra, gathered the leaders of the party together, and said to them:

"What do you mean by this? Don't you know that Islam and communism are oil and water, that the two cannot be mixed? Don't you know that a people who believe in God cannot accept the ma-



terialistic philosophy of the Communists?" He talked to them in this vein for quite some time. Finally he stopped and awaited their answers.

There was a long pause. Finally, one of the leaders said to him, "But, Dr. Hatta, we did not know; that is not what the Communists told us."

By such political chicanery, when Indonesia held its first election this spring since its revolution, the Communists received 16 percent of the vote.

There is much discussion these days as to whether, in view of the emphasis the Communists are placing on economic assistance to Asian countries, the United States should not place less stress on its military program and more on its economic program.

Cold war has its arsenal just as does hot war. The use of a military weapon, an economic weapon, the weapon of terror or subversion, or propaganda, or political accommodation, is simply a question of selection and adaption to the circumstances.

#### Use of Military Weapons

Let us take a brief look at Communist tactics in another part of the Far East where they are still employing military rather than economic or political weapons. These military weapons, aimed at three targets in the Far East, are ever ready to be fired.

In North Korea, across the demilitarized zone, stands a Communist army, far more effective than it was at the signing of the truce 3 years ago. There the Communists have introduced 350 jet planes and built new jet airports and strengthened the firing power of their forces, all in violation of the terms of the armistice.

In Viet-Nam, the same story is repeated. Again, since the 1954 talks in Geneva, the military forces of the Viet Minh have been strengthened in violation of the terms of the armistice. Firepower has been increased sixfold. Chinese Communist arms and ammunition and training instructors have been introduced.

And, finally, across the South China Sea lies Formosa—more properly, Taiwan. Taiwan is a small island some 200 miles in length and 80 miles in width. Insignificant as it appears on the map, it has a population of 10 million, larger than that of Australia. This island is an important link in the United States Pacific chain of defense that

runs from Japan through Korea, Okinawa, the Philippines, and so on down the Pacific.

Across 75 miles of stormy straits stand powerful Communist military forces. Chou En-lai, the Chinese Communist Premier, has said repeatedly, "We intend to take Taiwan by peaceful means, if possible; by force if necessary." Opposite Taiwan, on the China mainland, 10 new jet airfields have been constructed in the past year. These fields are being readied to launch and service the warplanes of the Chinese Communist air force—now boasting over 1,500 jet planes. In addition, a military railroad is being built from the harbor of Amoy, opposite Taiwan, to connect with the main north-south railroad from Canton to Shanghai, linking this coastal point to Mukden in Manchuria and from there connecting it with the great trans-Siberian railroad from Vladivostok to Moscow and Leningrad.

#### Discussions at Geneva

Discussions have been held for nearly a year in Geneva between Ambassador U. Alexis Johnson, representing the United States, and Chinese Communist Ambassador Wang Ping-nan on two subjects: (1) the release of American prisoners still held in Communist China; and (2) an attempt to obtain a mutual renunciation-of-force agreement.

As a matter of interest to every American, you should know how the first matter stands. Ten months ago, on September 10, 1955, the Chinese Communist representatives in the discussions which have been going on in Geneva said:<sup>3</sup>

The People's Republic of China recognizes that Americans in the People's Republic of China who desire to return to the United States are entitled to do so, and declares that it has adopted and will further adopt appropriate measures so that they can expeditiously exercise their right to return.

As of today only 8 of the 19 Americans have been released. Eleven are still in Communist Chinese prisons.

But it is the second item that particularly concerns us in relation to the subject before us. If these Chinese Communists are sincere, it should be a simple matter to agree upon a statement in which both countries renounce the use of force to obtain their objectives.

<sup>3</sup> *Ibid.*, Sept. 19, 1955, p. 456.

During the many months when our Ambassador has been endeavoring to gain acceptance of a statement by the Communists, the declaration has gone through many drafts.<sup>4</sup> In essence there are only two words that prevent us from getting together on such a statement. These two words are significant. They are these: "including Taiwan." The Chinese Communists, in brief, are willing to renounce the use of force in gaining their objectives except as respects Taiwan.

#### **Progress in Countering Soviet Threat**

I have painted a sobering picture. There is no point in mincing words over the problems which face us. They are serious. But you should also know what your Government is doing about them. And I can honestly say that, in my opinion, substantial progress has been made in countering the Soviet threat in the Far East.

The basic problem in the Far East is to help the people of Free Asia in their aspirations for a better life while at the same time insuring military strength adequate to resist aggression. The mutual security program, through technical and economic-development assistance, is helping them to achieve their objectives. The military-assistance part of the program is assisting them in maintaining internal order and security and in creating a first line of defense against aggression while they build up internally.

These Asian people must have hope that they will be more secure and better off tomorrow than they are today. So long as this is true, we may assume that, barring aggression, these free nations will remain free. Our aid programs are helping the governments of these countries in making such faith and hope possible. I said "barring aggression," and it should be noted that for over a year the forces of armed aggression in the area have been held in check. Similarly, the forces of internal subversion and instability have likewise been held in check.

Look at Viet-Nam. A year ago the newly independent Government there was fighting against tremendous odds for its existence. It was faced with the military and subversive threat of Communists to the north of the 17th parallel. It was confronted by internal strife. Armed bands of self-seeking political religious sects were chal-

lenging the Government's authority. Hundreds of thousands of refugees, fleeing from Communist domination in the north, were pouring into the country. The problems were well-nigh overwhelming. We can take great satisfaction in the remarkable improvement in the situation, which without our contribution would have been impossible.

We now find a firmly entrenched nationalist government under the leadership of President Diem. This government has proved its capacity not only to survive in the face of Communist subversive efforts but to assume the responsibilities of independence. The Diem government has achieved a decisive victory in the recent elections for the Assembly, which is now meeting to ratify a constitution for Free Viet-Nam.

In Korea 3 years ago the Communists were made to understand that, if they failed to reach an agreement for an early cease-fire, they would run the risk of retaliation massive enough to cost them far more than war could gain. Today Korea is at peace, albeit an uneasy peace.

In Korea we have demonstrated with other nations of the United Nations that a free nation can successfully be defended against Communist aggression and can be reconstructed and built up to defend itself. Our aid program is the major factor in the support of the Korean Army, which is the largest among the free nations of Asia. That army has obviously become an effective deterrent against further aggression by the Red Chinese and North Korean armies entrenched beyond the 38th parallel.

On Taiwan another strong Asian army faces the Communists across the 75-mile-wide straits between the island and the mainland. Taiwan continues to occupy a position of key importance. We regard its defense as essential to the non-Communist countries of the Far East as well as the United States itself. In addition, the Government of the Republic of China provides a source of hope for the mainland Chinese and an alternative focal point for their loyalty. As Assistant Secretary of State Walter S. Robertson has pointed out—

It also furnishes a political alternative to Communist domination for some 13 million overseas Chinese residing in strategic parts of Southeast Asia. As Communist China continues a policy of repression and murder at home and intensifies its subversive action abroad, the maintenance of a China that is free and independent assumes an ever-increasing importance.

<sup>4</sup> *Ibid.*, Jan. 30, 1956, p. 164, and June 25, 1956, p. 1070.



A year ago, when the Chinese Communists were particularly aggressive in pressing their claims to Taiwan, the President sought and obtained from Congress the overwhelming assurance that the might of this country could be used if necessary to guard the peace. War has not broken out in the Formosa Strait.

In the Philippines, another important partner in the global defense arrangements in the Pacific area, again progress can be reported. The internal threat of armed communism has been generally overcome, thus making it possible for President Magsaysay to proceed with his plans for the economic development of his country. Through continued U.S. aid programs, we are assisting the Philippine efforts to strengthen the main weaknesses of the economy—the rate of industrial development and backward rural conditions.

Japan is becoming an asset to the free world. Japan, like Germany, has staged a remarkable economic recovery and its growing self-defense capabilities are encouraging.

We are also working closely with the so-called neutralist countries to insure that they too are able to maintain their freedom and independence. We have an aid program in Indonesia, and Burma too is turning to us for help.

The recent visit of Indonesia's President Sukarno to the United States was an outstanding example of the way in which good will and understanding may be developed on both sides by two leaders of friendly countries getting together and exchanging views.

Finally, our network of mutual defense treaties in the Pacific is creating greater security throughout the area and giving assurance and confidence to the participating governments. This program provides equipment, training, and economic support for the military and police forces, as well as aid for economic-development purposes.

I should like to emphasize the importance of the SEATO Pact signed at Manila in September 1954. This brings together eight nations, pledged to common defense against external aggression or internal subversion. Its protective power embraces not only the territories of its members but the three states of Viet-Nam, Laos, and Cambodia as well. SEATO does not stop with arrangements for military defense but also envisions mutual assistance in economic and cultural fields. In Bangkok this year, a permanent headquarters for the SEATO organization was established.

In reviewing the situation in the Far East tonight, there are three points that I hope I have left with you:

(1) That there is a stirring of the human spirit behind the Iron Curtain that makes one think Klimov's rejection of injustice may be on the way—not soon but in years to come.

(2) That we cannot count on this and relax our guard; the new Soviet tactics in the Far East are no less dangerous than those previously employed; indeed, no tactic has been dropped—the one best adapted to the circumstances is used.

(3) That the United States has made real progress in thwarting Communist objectives in the Far East and strengthening the free world. Indeed, it may have been the effectiveness of our programs which has brought about the change in those of the Soviets.

Finally, the free world looks to us for leadership in the fight to keep it free. This is a responsibility the United States of America in the line of its finest tradition can but fully discharge.

## Congressional Documents Relating to Foreign Policy

### 84th Congress, 2d Session

International Wheat Agreement, 1956. Message from the President transmitting the International Wheat Agreement, 1956, which was formulated at the United Nations Wheat Conference concluded on April 25, 1956, remained open for signature in Washington until and including May 18, 1956, and was signed during that period by plenipotentiaries of 40 governments, including the United States of America and 5 other exporting countries and 34 importing countries. S. Exec. I, June 13, 1956. 38 pp.

Control and Reduction of Armaments. Report to accompany S. Res. 286. S. Rept. 2235, June 14, 1956. 3 pp.

Swiss Watches—Adjustments. Report of the Senate Committee on Government Operations made by its Permanent Subcommittee on Investigations. S. Rept. 2239, June 18, 1956. 12 pp.

Amendments to Public Law 480, 83d Congress. Report to accompany H. R. 11708. H. Rept. 2380, June 18, 1956. 15 pp.

Relinquishment of Consular Jurisdiction in Morocco. Report to accompany S. J. Res. 165. S. Rept. 2274, June 19, 1956. 15 pp.

Arranging for Exhaustive Studies To Be Made Regarding Foreign Assistance by the United States Government. Report to accompany S. Res. 285. S. Rept. 2278, June 20, 1956. 3 pp.

Report of the National Advisory Council on International Monetary and Financial Problems, Covering Its Operations From July 1 to December 31, 1955, Pursuant to Section 4 (b) (5) of the Bretton Woods Agreements Act. H. Doc. 430, June 20, 1956. 70 pp.

Amendments to Public Law 480, 83d Congress. Report to accompany S. 3903. S. Rept. 2290, June 22, 1956. 13 pp.

## The Satellite Program for the International Geophysical Year

by *Hugh Odishaw*

*Executive Secretary, U.S. National Committee for the IGY<sup>1</sup>*

The satellite program for the International Geophysical Year represents a new departure in man's continuing effort to increase his knowledge of the physical universe. Its significance for science, by permitting man to reach into the upper atmosphere to gather data needed for an understanding of his environment, cannot be overstressed. It is one of the boldest, most imaginative steps taken by man; from the days of antiquity, as recorded in myth and fable, man's inquiring, restless spirit has attempted to free itself from the earth and to reach out into the vast universe stretching about him.

The IGY satellite program represents the first of man's steps toward acquiring direct knowledge of the universe far beyond the earth's surface and far beyond the scope of aircraft, balloons, and even conventional research rockets. These initial steps, limited though they may be in terms of man's aspirations, are important and exciting. They represent a historical event almost without parallel in terms of man's relationship to his cosmic environment. They also represent a method whereby man can secure specific knowledge of many events and phenomena in the outer atmosphere.

Many of these phenomena are masked from the earth by its absorbing atmosphere. Rockets and satellites provide tools to reach directly into those rarefied regions of the outer atmosphere with

measuring instruments. This will provide us not only with information of great intrinsic value but with data that can be correlated with vast quantities of ground-based observations.

Rockets are limited to a narrow zone of the atmosphere, ascending and descending almost vertically, and to short intervals of time. Satellites will explore a vast region of the outer atmosphere and are expected to last weeks, months, perhaps a year. This feature not only permits the accumulation of considerable information in both depth and time but will enable man to study the time variation of planetary and interplanetary phenomena.

The IGY satellite program thus affords an unusual opportunity for the acquisition of information about the upper atmosphere. As in other IGY programs, this opportunity is a broad one: The nations of the world will not only observe the satellite but will participate in the scientific program, insuring its success. The ground-station scientific program, in particular, will require extensive international participation in order to secure maximum advantage from the endeavor. Observations, by radio or optical instruments, permit the conduct of important experiments relating to outer-atmosphere air density, composition of the earth's crust, and various geodetic determinations. The more participation there is, the better the end results that may be obtained. Moreover, it is hoped that other nations can place IGY satellites in orbit during the IGY, increasing the amount of data thereby attainable and taking advantage of the interests, activities, and observing stations

<sup>1</sup>Remarks made at the IGY Western Hemisphere Conference at Rio de Janeiro, Brazil, on July 19. Mr. Odishaw was chairman of the satellite session at the conference. For background on the International Geophysical Year, see BULLETIN of Apr. 18, 1955, p. 644, and Dec. 12, 1955, p. 989.

established during the IGY by the many participating nations.

A preliminary list of advantageous satellite observation and measurement sites has been made by the U.S. National Committee, calling for some 13 optical observation stations and some 10 radio observation stations. Emphasis has been placed on a north-south line of stations, in view of the launching aspects, with some added stations to provide longitudinal coverage. These are but suggestive, for it is hoped that many more stations will be established by the nations participating in the IGY.

It is most fitting that this next step in the development of the IGY satellite program, concerned with the ground-station observation and measurement program, can now be presented before the CSAGI [Comité spécial de l'année géophysique internationale] and the PAIGH [Pan American Institute of Geography and History], gathered to review, to coordinate, and to implement Western Hemisphere activities during the IGY period, 1957-58. It is fitting that the program has advanced whereby this step can now be delineated because most of the proposed stations, linked to circumstances necessarily associated with launching of the vehicle, make possible further inter-American cooperation, a cooperation which has long characterized the relations among the nations of South, and Central, and North America.

I should like in these remarks to summarize the salient aspects of the satellite: first, the development of the program through CSAGI deliberations and actions; second, the subsequent development of the U.S. National Committee's satellite program and aspects of its present status; third, the scientific program relating to ground-station observation and measurements, including proposed station sites; and finally some of the types of experiments that can be conducted by instrumentation within the satellite.

#### **Development of Satellite Program**

Interest in earth-circling research satellites for the IGY began with the adoption of resolutions, during the summer and early fall of 1954, regarding the desirability of such vehicles. These resolutions were adopted by three international scientific bodies: the International Scientific Radio Union, the International Union of Geodesy and Geophysics, and the Special Committee for IGY

of the International Council of Scientific Unions (CSAGI). The resolution of most immediate interest is the one adopted on 4 October 1954 by the CSAGI:

In view of the great importance of observations during extended periods of time of extra-terrestrial radiations and geophysical phenomena in the upper atmosphere, and in view of the advanced state of present rocket techniques, CSAGI recommends that thought be given to the launching of small satellite vehicles, to their scientific instrumentation, and to the new problems associated with satellite experiments, such as power supply, telemetering, and orientation of the vehicle.

In view of these international recommendations, the U.S. National Committee for the IGY (USNC-IGY) studied the possibility of constructing, launching, and observing an instrumented satellite. These studies led to the conclusion that an instrumented satellite program not only was of scientific importance but was feasible. On 14 March 1955, accordingly, the committee transmitted its general recommendation for an IGY satellite program to the President of the National Academy of Sciences and the Director of the National Science Foundation.

Meanwhile the scientific and technical studies of the committee's special satellite group continued. By the early part of May a preliminary program had been developed, and the committee directed its chairman to transmit the proposed program to the Government through the National Science Foundation. This was done on 6 May 1955.

Late in July, the Government's approval of the satellite program permitted the chairman of the USNC to notify the CSAGI of our plans. In his letter of 26 July 1955 to Professor Sydney Chapman, President of CSAGI, Dr. [Joseph] Kaplan, chairman of the USNC-IGY, said:

The Committee on behalf of the National Academy of Sciences wishes to inform you at this time that, in response to the CSAGI resolution, the program of the United States for the International Geophysical Year now includes definite plans for the launching of small satellites during the International Geophysical Year.

The United States National Committee believes that significant scientific data may be gathered as a result of this program in such fields as geodesy, atmospheric physics, ionospheric physics, auroral physics, and solar radiation. The participation of other nations engaged in the International Geophysical Year is invited, and to this end we shall provide full scientific information on the orbiting vehicle so that other nations may monitor the device and make appropriate observations. The United States National Committee looks forward to the interest

and cooperation of other nations in what it hopes will be one of the great scientific achievements of our time.

On 29 July 1955, Professor Chapman released this letter to the public at Brussels through CSAGI's Secretary General, M. Nicolet. A few minutes later, the President's endorsement of the program was made public at the White House by the President's press secretary:

On behalf of the President, I am now announcing that the President has approved plans by this country for going ahead with the launching of small unmanned earth-circling satellites as part of the United States participation in the International Geophysical Year which takes place between July 1957 and December 1958. This program will for the first time in history enable scientists throughout the world to make sustained observations in the regions beyond the earth's atmosphere.

The President expressed personal gratification that the American program will provide scientists of all nations this important and unique opportunity for the advancement of science.

Professor Chapman replied to Kaplan on 3 August 1955. The substance of Chapman's letter is contained in the following three quoted paragraphs:

On behalf of the CSAGI I wish to express great satisfaction that it was in consequence of the CSAGI resolution you quote, that your National Committee arranged for a study of the possibilities and value of the construction of a satellite vehicle for upper atmospheric and other scientific exploration.

I am glad to know that this study was so successful that your Committee felt able to resolve to construct and launch small satellites as a part of the United States contribution to the International Geophysical Year and to announce these plans publicly. The long experience of your scientists in rocket launching and construction, and the brilliant scientific use they have made of rockets for upper atmospheric and solar exploration, gives confidence that the plans so announced will be fulfilled.

This will indeed be one of the great scientific achievements of our time, and will give occasion and opportunity for the cooperation of other nations in this outstanding part of the great enterprise, the International Geophysical Year.

These, then, were the early steps in the development of the Academy's Igy satellite program.

#### **Importance of Cooperative Effort**

The cooperative nature of the satellite program is particularly important if the full scientific value of the project is to be realized. Only with the cooperation of scientists of all the American Republics can this program, or indeed any of the other programs of the Igy, yield their full poten-

tial. Because of the orbit of the satellite, the stations to be set up in Central and South America are perhaps the most important in the worldwide network.

Broad participation of U.S. scientists in this endeavor is being effected by the National Academy of Sciences, which established the U.S. National Committee for the Igy. This committee, with its subcommittees and panels, is charged with responsibilities for planning, directing, and executing the U.S. Igy effort. The Government has cooperated extensively in the realization of the program, both program-wise and fiscally.

Seeking the most expert advice available, the Usnc appealed to the Department of Defense for logistic support of the satellite program. This support will be provided jointly by the three military services under Navy management. A group has been established, directed by Dr. John P. Hagen of the Naval Research Laboratory, for the conduct of Project Vanguard, the name assigned to the Department of Defense's effort.

Although it is clearly an exciting and significant endeavor, one should not lose sight of the difficulties of the enterprise. The committee's studies indicated that existing rocket techniques provided a sound basis for the feasibility of the proposal. Yet the venture is truly a pioneering one, and partly for this reason the committee has called for some dozen instrumented satellites, with the hope that at least five or six would be successfully placed in their orbits.

The scientific basis for the satellite program is to be found in the need for basic, directly observed data, which ground-based experiments are unable to provide. The lack of such data is probably the single most important factor accounting for the present incomplete explanations and theories regarding such fields as auroral and ionospheric physics.

The atmosphere of the earth acts as a huge shield against many types of radiation and objects that are found in outer space. It protects the earth from things which are known to be or which might be harmful to human life, such as excessive ultraviolet radiation, cosmic rays, and those solid particles known as meteorites. At the same time, however, it deprives man of the opportunity to observe many things that could contribute to a better understanding of the universe. In order to acquire data that are presently unattainable, it is vital that scientists be able to place instruments



outside the earth's atmosphere in such a way that they can make continuing records of the various properties about which information is desired.

Rocket soundings of the upper atmosphere have yielded significant results, and the IGY program includes a major rocket-research effort. Unfortunately, rockets have two serious disadvantages: Their total flight is extremely short and the time spent in a particular altitude range is even shorter; and their flight paths are restricted in terms of atmospheric coverage. Thus, in spite of the very great value of rocket data, there exists a need for a device that can provide synoptic data over appreciable lengths of time.

#### Plans for Launching Satellite

Present plans call for the satellite to be launched from the east coast of Florida at Cape Canaveral. There will be a three-stage rocket assembly to provide the means of placing the satellite in its orbit. The first stage, delivering a thrust of 27,000 pounds, will start the system on the first part of its flight. When its fuel is exhausted, some 40 miles from the launching site and within about 2 minutes after takeoff, the system will have attained a velocity of 3,000-4,000 miles per hour. The second rocket stage will then take over, attaining a velocity of about 11,000 miles per hour, and burning out at an altitude of about 130 miles; the system will then coast onward. When it has reached an altitude of about 300 miles, the last rocket will impel the satellite into its orbit at a speed of about 18,000 miles per hour.

This orbit, then, will permit the satellite to revolve about the earth in an apparent latitude range of about 40 degrees on either side of the Equator. As it revolves about the earth once every hour and a half, the earth will rotate beneath. Since the earth rotates about its axis once every 24 hours, it will have made about one-sixteenth of a revolution each time the satellite orbits once completely. If the orbit of the satellite were circular, one-sixteenth of a revolution, or 22.5 degrees, would be approximately accurate. The orbit is to be elliptical, however, so that more than one-sixteenth of a revolution will be made by the earth during one revolution of the satellite; the displacement will be about 25 degrees. Thus after one revolution the satellite will appear about 25 degrees west of its launching site, 50 degrees on its second passage, and so on.

There are two primary advantages to this shifting orbit between 40 degrees north to 40 degrees south of the Equator: First, the satellite's instruments will be able to record observations over a broad expanse of the high atmosphere. Second, the excellent band-width coverage will permit the scientists of a large number of nations to take measurements and to make observations. In the planned orbit the satellite will be observable from the United States, Central and South America, and Africa; southern Europe and possibly some regions in the midnorthern latitudes; Indonesia, Australia, and New Zealand; the Balkans and the Middle East; the Caspian Sea area and part of the U.S.S.R.; Pakistan, China, Japan, India, and several other countries in Asia in the midnorthern latitudes. The U.S. National Committee hopes that later satellites may be launched so as to permit scientists of additional nations to participate in the study.

The first satellite will be spherical in shape, about 20 inches in diameter, and will weigh approximately 21.5 pounds. About half of this weight will be required for the instrument itself; the other half will be left for the various instruments, including the telemetering system.

Visual observation of the satellite with the naked eye under optimum conditions, and preferably with binoculars, will be possible. This will permit amateurs, a large number of whom have expressed interest in the satellite project, to contribute to the scientific program.

A number of experiments are planned, including measurements of ambient air density, surface composition and shape of the earth, ambient temperature and pressure, meteoric incidence and intensity of solar radiation in the extreme ultraviolet, and intensity of cosmic radiation.

Precision determination of the orbit of the satellite as it moves in its elliptical path from 200 to perhaps 1,500 miles from the earth is necessary to the achievement of the planned experiments. Plans call for precision tracking and observation by both optical and radio methods.

Once placed in its orbit, the satellite becomes in effect a celestial body newly arrived upon the cosmic scene. As such, the first problem becomes its acquisition—those initial observations which not only establish its celestial existence but which provide data for preliminary calculations of its orbit in order that ephemerides may be made.

These predictions will permit, first, the concentration of ground stations on the preliminary orbit and, second, the subsequent acquisition of more extensive data on the basis of which the various studies can be conducted.

#### **Ground-Station Observations**

One of the most important sets of experiments made possible by the earth-satellite program relates to observations, measurements, and calculations which can be made from ground stations. Here both radio and optical observation stations play significant roles. The following are three areas of study that can be conducted:

1. *Air Density:* Very little is presently known about the density of the upper atmosphere. From the geometry of the satellite's course and observations of its flight, calculations can be made of the air density.

2. *Composition of the Earth's Crust:* The satellite will proceed in an elliptical orbit. At its speed of about 18,000 miles per hour there is a centrifugal force which balances the earth's gravitational pull. Careful observations of the orbit and its variations will permit calculations of mass distribution in the earth. This, in turn, should yield information about the composition of the crust.

3. *Geodetic Determinations:* Determinations similar to those noted above will provide data about the oblateness of the earth. This will yield an improvement in our information about the shape of the earth. Synchronized observations may permit improvements in determinations of longitude and latitude. These observations would supplement the observations that are planned in the IGY latitude and longitude program.

Optical observations may be conducted by several means. The radio tracking system should provide acquisition data, but, in the event of failure of the transmitter in the satellite, optical means of acquisition are necessary. Here teams of observers using binoculars may prove most valuable. Although a particular individual will, for obvious technical reasons, have difficulty in viewing the satellite, trained teams of observers can undertake a satellite acquisition program. By placing binoculars on fixed mounts and employing a group of such installations disposed so as to cover a large region of the heavens, with good data as to position of the installation, timing of

observations, and critical review of the observations by professional leaders, a major contribution to the overall program becomes possible.

Once the satellite has been acquired, not only can the precision optical equipment be brought rapidly into play, but the simpler type of telescopes in astronomical observatories can participate in the observation program.

One of the difficulties in the initial optical acquisition of the satellite, aside from considerations relating to the effectiveness of the simple acquisition net, is the problem of atmospheric conditions. Extensive cloud cover, for example, would minimize the chance of optical acquisition. Here the radio tracking system can play an important part. Limitations of the optical observation system are that the path of the satellite must be initially known to a precision of 3 degrees so that preliminary sighting positions can be established for insuring photographic acquisition; conditions of visibility will restrict optical observations to brief twilight periods.

On the basis of visibility and other technical considerations, the U. S. National Committee feels that some desirable locations for the optical observation stations include the following: White Sands, N. Mex., U. S. A.; Cocoa Beach, Fla., U. S. A.; Venezuela or Netherlands Antilles; Quito, Ecuador (with radio observations); Antofagasta, Chile (also with radio observations); Cordoba, Argentina; Bloemfontein, South Africa; Australia; Maui, Hawaii; Southern Japan; India or Pakistan; Egypt or east edge of Mediterranean; Southern Spain or French Morocco. Other stations would be desirable, both latitudinally and longitudinally. It is hoped that many nations, particularly in Latin America, can establish optical tracking and observing stations.

The radio tracking system, developed by the Naval Research Laboratory, is known as Mini-track. It uses a phase comparison method in which a radio signal is transmitted from the satellite to the ground station. Satellites will transmit Mini-track signals at 108 mc. Ground stations will include a precision multiple-antenna array and a complex electronics installation, requiring an operating staff of 10 technicians. The expected precision of observation is about 3 minutes of arc under normal conditions with improvement to a precision of 20 seconds of arc for observation at small zenith angles, or for nighttime operation.



In terms of minimum north-south chain of stations, intended to insure radio tracking, and in terms of necessary spacing (taking economic factors into account), the committee believes that the following station sites would be desirable: Santiago, Chile; Antofagasta, Chile (with optical observation station); Lima, Peru; Quito, Ecuador (with optical observation station); Panama; Antigua, British West Indies; Habana, Cuba; Jacksonville, Fla., U. S. A.; Washington, D. C., U. S. A.; San Diego, Calif., U. S. A. Plans for the cooperative establishment of these stations are under way. Additional stations are desirable, and it is hoped that many nations will participate in the radio tracking program.

Participation is possible by use of ground stations of the precision type or by a simplified ("Mark II Minitrack") system, which has been developed for supporting the primary network; results from this device, if a broad network could be established, would be very important in the acquisition of the satellite. Information on receiving-station design, as well as the radio tracking signal characteristics, will be made available to CSAGI as soon as the committee can prepare reports on technical work still in progress.

#### Types of Experiments To Be Conducted

In addition to the experiments described above, the satellite affords a unique tool for observations of atmospheric and cosmic phenomena not directly susceptible to measurements on the earth—and phenomena which in many instances are masked by the earth's atmosphere. It is expected, within the payload limitations of the satellite, that research experiments can be conducted. The following are examples of such typical experiments under consideration:

I. *Temperature*: Measurements of temperatures within the satellite and at its surface will be made. The heat within the satellite is derived from solar radiation, the power supplies, thermal radiation emitted by the earth, and a very small amount from friction.

II. *Pressures*: The satellite shell will be airtight and may contain an inert gas. Pressure gages will be used to measure pressures during the satellite's life in order to check on leakages and in connection with possible meteoric effect.

III. *Meteoritic Particles*: Small meteoric particles, a few thousandths of an inch in diameter, are constantly impinging upon the earth's atmosphere. Estimates as to the quantity reaching the earth's surface vary. These micrometeorites are believed to contribute a measurable amount to ionizing the atmosphere in the E-region (about 60 to 90 miles above the earth). With the use of simple impact detectors these micrometeorites can be observed. Moreover, measurements of pressure within the satellite will reveal meteorite penetration and some information on size.

IV. *Ultraviolet Radiation*: Much of the radiation from the sun is masked from the earth by the atmosphere. This is particularly true of the extreme ultraviolet radiations in the Lyman-alpha region. The satellite offers an opportunity to observe this radiation on a long-term basis and thereby to determine the influence of solar flares on its emission from the sun.

V. *Cosmic Rays*: Cosmic rays have high energies and there are variations in their energy content. Because the earth's magnetic field deflects these particles, only those with the highest energies penetrate the midlatitudes. Many of the low-energy particles are absorbed in the earth's atmosphere, and observations of cosmic rays are generally of "secondaries." The satellite will permit direct studies of primary cosmic rays above the masking atmosphere.

At the present time some 48 nations are formally participating in the IGY program and additional nations are expected to participate or to cooperate in the worldwide effort during 1957-58. The IGY satellite program is just one part of this unprecedented, cooperative international effort. The fact that man can make a satellite and set it in an orbit about the earth is a monumental step forward in man's continuing search for knowledge of his physical environment.

#### Caribbean Commission Appointment

The President on August 2 appointed Roderic L. O'Connor to be a Commissioner and Chairman of the United States Section of the Caribbean Commission for a term of 2 years.

## Surveying the World Economic and Social Situation

*Following are texts of statements made by John C. Baker, U.S. representative on the U.N. Economic and Social Council, at the 22d session of ECOSOC at Geneva on July 10 and 18.*

### PRACTICAL ACTION IN THE SOCIAL FIELD

U.S. delegation press release dated July 10

It is fitting that our Council should consider as its first substantive item "Practical Action in the Social Field." This subject is concerned with people—with their needs and aspirations and with the action that governments can take individually and through international organizations to promote their welfare. We must strive constantly to meet current human needs and at the same time plan to solve tomorrow's human problems if we are to make steady and encouraging progress in raising levels of living.

Acting on this belief, the Economic and Social Council began its series of periodic inventories of the world social situation to provide the factual data essential for imaginative planning. Then we outlined a program of concerted practical action based on the findings of the first *Report on the World Social Situation*.<sup>1</sup> Last year, we reviewed the first *International Survey of Programs of Social Development*.<sup>2</sup> Fine as that survey was, we still lacked a clear picture of the extent to which international and national programs were integrated into one program of practical action. Thus, the Council proposed the study now before us<sup>3</sup> to provide a basis for evaluating the present priority programs before we examine the findings of the next *Report on the World Social Situation*.

<sup>1</sup> U.N. publication 1952.IV.11.

<sup>2</sup> U.N. publication 1955.IV.8.

<sup>3</sup> Program of Concerted Practical Action in the Social Field of the United Nations and the Specialized Agencies. Report of the Secretary-General (U.N. doc. E/2890).

When the proposal was discussed last year, it was clear we were not seeking another collection of reports from agencies. We wanted, above everything else, an analysis by the Secretary-General of the emphasis given to each priority program. We note, however, that the presentation in report E/2890 is by agency and there is no summary under each priority program. The burden of rearranging the data as a basis for evaluation and future planning is placed on governments.

Nevertheless, detailed examination of the report indicates that the United Nations and the specialized agencies have, in practice, taken account of the priority programs outlined by the Council in 1953. For this action, we heartily commend the Secretary-General of the United Nations and the Directors General of the specialized agencies. And we want to take this opportunity to reaffirm the strong support of my Government for intensified international efforts to strengthen social programs and for taking into account the social aspects of economic development.

### Setting Up Priorities

In our view, the time seems ripe for the Council to seek the advice of its subsidiary bodies and of the specialized agencies with a view to recommending major emphasis on the most pressing problem within each of the broad priority areas. Let me illustrate with a specific problem within one of the nine priority programs, namely, malaria.

In 1952, the *Report on the World Social Situation* showed that 300 million people suffered from malaria and 3 million died of it each year. Dramatic achievements have resulted from the international control programs instituted at the request of governments since 1952. Today the problem is just two-thirds as great as it was. In certain countries where malaria formerly was a serious problem, it has no significance today.

Eradication of malaria has meant relief from human misery, increased productivity, and greater social and economic well-being for the people. Similar benefits should be realized for the hundreds of millions of people still suffering from malaria today.

No aspect of the social and economic development of a malarious area is immune to the effects of this disease. In such areas, malaria bears much of the responsibility for the low learning capacity, inefficiency, high medical costs, grave social-welfare problems, neglect of natural resources, and low rate of economic development. It is also costly to the entire world.

Sixty percent of the goods imported into my country, for example, comes from malarious areas. Malaria control among those who produce goods purchased by us requires at least 5 percent of the annual production budget. Here is a hidden tax of over a third of a billion dollars annually, but projected on a world basis this hidden tax becomes a cost of staggering proportions. Human welfare is, indeed, a very practical problem.

Certainly the internationally approved decision to move from control measures to actual eradication of malaria in a few years represents a landmark in the history of man's attack on one of his oldest, most debilitating, and most vicious enemies. Imagine what the eradication of this one disease will mean in raising the levels of living of people! Based on past experience with the eradication of malaria, is it not worthwhile for the Council to consider the most urgent problem on which the United Nations and the specialized agencies might place major emphasis within each of the other priority program areas? We think it is.

Now, let me turn to five specific points in the report before us today. Paragraph 4 of this report informs us that countries are not necessarily requesting the types of technical assistance which are outlined in the priority programs. No supporting information is given to show the extent of the difference between the requests and the priority programs. Thus, we lack the basis for determining whether or not the priority programs need to be reevaluated. The needs of countries differ. So does the timing for specific programs. Obviously, there can be no uniform way for carrying out the priority programs. In general, however, the extent to which the priority programs fit the needs of countries is an indication of how realistic they are.

We hope that each government represented here which has requested multilateral technical assistance will give us its view on this point. And we hope the representatives of organizations providing technical assistance will, in turn, give us their comments on the practicality of the priority programs. We believe such a discussion can be helpful in future planning.

### Community Development

Next we wish to comment on paragraph 6 of the report, concerning the community-development process. My delegation agrees that the Secretary-General, in his special report next summer, should include recommendations on the long-range application of the community-development process. Last year the Council defined community development. We now have international agreement that it is a process to produce a concerted program of action. We assume the secretariat will take this definition into account in responding to pertinent resolutions adopted by the Council prior to its 20th session.

We firmly believe the community-development process can be used to achieve practical results in many different activities related to the common goal of raising levels of living. The process is particularly effective in developing and strengthening local and national organizations for administering social programs.

Let me refer briefly to a problem in my own country and the action we took. Every local community in the United States realized that it had a serious problem on its hands if it were to meet the educational problems created by our rapidly increasing population. Financing expansion, more teachers, new buildings were only a few of the problems to be met. Countless individuals and groups in each area became interested in these problems and widespread discussion occurred. President Eisenhower's first state-of-the-Union and budget messages to Congress recommended specific action.

The President named a committee to plan and conduct an overall study of the Nation's elementary and secondary school needs. About 4,000 local, regional, and State conferences on education were held last year involving more than a half million of our citizens.

Congress appropriated funds to help the States defray the cost, but each State and Territory worked out its own program to fit its own needs.

The White House conference held at the end of the year climaxed the series of State and Territorial conferences. Nearly 2,000 people participated in it. The year's activity was the most thorough, widespread, and intensive study the American people have ever made of their schools.

The first result is a sizable increase in the number of people from all walks of life who are participating in educational activities. A series of bills have been introduced into State legislatures and into our Federal Congress to help solve these problems. They have wide public support. The net result is that more effort and more money are being expended to improve our schools than ever before.

Here is an example of the community-development process in action in my country. The needs of the local communities determined the action. The expressed needs of the people determined the practical projects which are being supported throughout the country, such as to train more teachers, to finance and to build more schools. We, like many other nations, know that the community-development process is effective.

#### **Conditions in Underdeveloped Countries**

Let me turn now to the third specific issue in the report. It is found in paragraph 11, relating to the need for studies of actual conditions in underdeveloped countries. We agree with the Secretary-General that this problem should be taken into account in connection with the examination of the second *Report on the World Social Situation*.

When we look back to the organization of the Council 10 years ago, we realize that we now have a great deal of basic factual information on geographic, social, economic, and demographic conditions. When we look ahead at the problems before us, we know much more information is needed if we are to outline specific programs to promote the welfare of the human race.

The fourth specific issue is in paragraph 13 of the report. Here it is suggested that the Council support the formulation of a long-range program in urbanization. We supported the Council decision requesting the secretariat to give special attention in the second *Report on the World Social Situation* to the problems involved in urbanization. We, however, have serious doubts about the separate program which is proposed. In our opinion, we do not need a new program. Instead, we

should consider the problems involved in urbanization in each of the existing priorities and programs of concerted practical action in the social field.

Urbanization is a process which involves a whole series of complex problems relating to social and economic development—housing, health, education, social welfare, labor standards, food distribution, nutrition. Indeed, it is a new way of life. In fact, urbanization includes all the problems reflected in the priority programs recommended by the Council in 1953. Thus, we strongly believe that long-range plans should be related to the existing priorities and programs. Countries newly confronted with urbanization as well as industrialized countries will agree that urbanization occurs with the least difficulty when all the social and economic programs are intermeshed into one program of practical action to improve levels of living.

The final issue I want to refer to is in paragraph 14. It concerns "methods of integrating economic and social projects into a coherent development plan and achieving thereby a proper balance and phasing of projects." Mr. President, we all recognize that there will be no worldwide agreement on the percentage of public expenditures which should be devoted to particular programs. Nor will there be agreement on any single pattern of relationships among social and economic programs. By contrast, we already have considerable agreement on the elements in a program of social and economic development. It should be possible to develop a broad area of understanding and agreement as to some of the necessary interrelationships between industrialization on one hand and improvements in health or education or social services on the other.

Thus, an important contribution could result from analyzing the different methods used and the problems encountered by countries in integrating social and economic action into multipurpose related efforts to raise levels of living. We believe the Secretary-General should be requested to undertake a study which analyzes these different methods and problems. Because of the heavy work program in getting ready for the 11th session of the Social Commission and because of the time involved in getting information from governments, we suggest that such a study be prepared for the 12th session of the Social Commission.



My delegation will be happy to work with other delegations in formalizing these various ideas into an effective resolution.<sup>4</sup>

In conclusion, Mr. President, we are encouraged by the reports of social progress made by the United Nations and the specialized agencies. This great family of international organizations is striving to meet urgent needs. And it is planning effectively to solve tomorrow's problems. Since today is prolog for tomorrow, let us continue to keep these two objectives before us so that our progress in another 10 years will surpass our greatest expectations today.

### THE WORLD ECONOMIC SITUATION

U.S. delegation press release dated July 18

I should like to join in thanking the Secretary-General for his opening analysis of the world economic situation. His presence among us and his participation in this discussion, together with that of the executive secretaries of the regional commissions, emphasize the importance which the United Nations and all of us on this Council attach to this annual survey.<sup>5</sup> I should also like to say a word of thanks to those other members of the secretariat who assisted in the preparation of the studies and reports without which this annual review would not be possible. Not only is this documentation essential to the work of this Council, but it is coming to be more and more widely used by governments, economists, and students the world over.

Arnold Toynbee, the famed British historian, has suggested that the 20th century will be remembered, not for its wars, not for its conquests of distance and disease, not even for the splitting of the atom, but for "having been the first age since

<sup>4</sup> The Council on Aug. 2 unanimously adopted a resolution stressing the need for intensified and concerted international efforts in strengthening social programs in independent countries and non-self-governing and trust territories, and the need for attention to the social aspects of economic development in the interests of integrated development. It also requests the Secretary-General to include in the special study being prepared recommendations for concerted international action on a long-range basis for the promotion of community development. It reaffirms the Council's request to give special attention in the second report on the world social situation "to the problems of peoples undergoing rapid transition especially through urbanization."

<sup>5</sup> U.N. publication 1956.II.C.1 (U.N. doc. E/2864).

the dawn of civilization . . . in which people dared to think it practicable to make the benefits of civilization available for the whole human race."

To help convert this vision into reality is the basic challenge before this Council and before the United Nations. It is the objective of the most far-reaching economic and social movement in history, affecting all continents and the great majority of the world's population. The distinguishing mark of this movement is the almost universal concern with the problems of economic growth and improved levels of living. Today governments must promise not only "liberty, equality, and fraternity" but also more material advantages, if they are to obtain and hold the support of their peoples.

This year's world economic report of the Secretary-General performs a double function. On the one hand, it measures the success or failure of the world economy to move along the road toward this objective over the past 10 years. On the other, it alerts us to some of the problems which must be overcome if, in the years ahead, the benefits of modern science and technology are to spread to ever larger numbers of people.

I can think of no more fitting manner to mark the first 10 years of the Council's work than to assess the extent to which we have moved toward the economic and social goals laid down in the charter of the United Nations, while we all pledge ourselves anew to these great ends.

I do not propose to review this record in detail. To do so would but duplicate the fine work of our competent secretariat. I should like, however, briefly to recall what seem to me some of the main economic developments of the last decade.

### Unprecedented Economic Accomplishment

In comparison with any other decade of the last half-century, including the great prosperity which followed the First World War, the past 10 years were a period of unprecedented economic accomplishment for large areas of the world. Thus substantial progress has been made in realizing the hopes for greater security from hunger and want which were raised during the Second World War. This is true even if we do not take into account the rapid reconstruction of the immediate postwar years.

Of course, when we measure country against

country and area against area large differences in economic performance appear. But in almost every country and every area the rate of economic growth in the postwar period has been well above earlier long-term trends, contrasting sharply and hopefully in many underdeveloped countries with previous centuries of extremely slow economic progress.

For example, in Latin America as a whole the last decade was probably the most prosperous period of its recorded history. The economic advances achieved during this time, when added to the gains made during the war, virtually doubled the total real income of the area.

While, by and large, the countries of Southeast Asia have not made as rapid economic progress, there are strong indications that in the last 2 or 3 years the area as a whole has achieved a sustained increase in per-capita income despite large increases in population. If these trends prove to be lasting, this may well be one of the most important economic developments of our time. While continued economic growth in this area is not necessarily assured, the experience of the past few years suggests that such growth is possible on the basis of available resources and within existing social and political frameworks.

There are hopeful signs even in areas where economic problems are especially difficult. In the Middle East, for example, the secretariat report finds that progress toward utilizing its great potentialities for economic development has been encouraging.

Thus, simultaneously with the unexpected rise in birthrates in the industrialized countries and the phenomenal decline in death rates in the underdeveloped areas, we have witnessed over the last decade a striking demonstration of the power of the world economy to support larger numbers of people at a higher standard of living than ever before.

It is encouraging to note that since 1948 the increase of production in the underdeveloped countries as a whole has compared favorably with that in the more developed countries. But, as the world economic report suggests, the most significant development in the underdeveloped countries since the war is to be found not in the physical expansion of productive capacity, important though that has been, but rather in the gradual evolution of a climate favorable to economic development. The effects of this evolution can be

seen not only in the market place but in political and social institutions and most strikingly in the spirit and determination of the peoples and the leaders of these countries to improve their economic conditions.

In most developed countries maintenance of a satisfactory level of productive employment has come to be regarded as a major objective of economic policy. The last 10 years have witnessed the further development of built-in economic stabilizers, with watchful governments determined to do everything possible to prevent serious or prolonged business recessions. Actually, as the world economic report makes clear, the major economic problem of the postwar period in these countries has not been the problem of depression but rather the moderation of excessive demand, the control of inflationary pressures, and the problem of balanced economic growth.

It is gratifying indeed to see that, without sacrificing desirable mobility of resources and flexibility of output, unemployment in the industrialized countries has been reduced to levels that before the war did not seem possible to most economists. A new spirit of economic progress is also abroad in these countries.

For the first time in a generation, trade restrictions are being progressively dismantled. The volume of trade has been rising, not only to record absolute levels but also in relation to world production. This is a particularly noteworthy trend when we compare it with the experience of the years before World War II. During that time world trade grew by much less than the increase in world production, thus giving rise to the theory that we were witnessing a long-term decline in the importance of international trade. Recent developments indicate that this may well have been a mistaken view.

#### **Economic Growth in the United States**

The remarkable economic growth enjoyed by my own country since the war is, of course, one of the noteworthy developments of the last decade. Forecasts by some people in the early postwar years that millions in the United States would be unemployed did not materialize. Instead, the postwar period witnessed an almost constantly rising trend of economic activity.

This trend has continued into 1956, and a broad expansion of production has carried our economy

to new high levels. In the first quarter of 1956, goods and services were produced at a seasonally adjusted annual rate of over \$398 billion—an \$11 billion increase from the 1955 average and \$23 billion higher than a year earlier.

Concurrently, employment rose to over 65 million and unemployment declined to a new low level. In April of this year, personal incomes were 6 percent above the level attained a year earlier, with average per capita personal incomes after taxes over \$1,650, while consumer prices have remained essentially stable for the past 3 years.

In fact, the general expansion in demand has been so pervasive that it was found necessary to adopt monetary measures to control inflationary pressures.

As I pointed out in my statement during last year's discussion of the world economic situation,<sup>a</sup> the recent rise in American business activity was led principally by two major industries—residential construction and motor vehicles. Nearly 8 million new passenger cars were produced in 1955. During the course of 1955, however, the expansion broadened to nearly all parts of the economy and business activity advanced on every front.

Residential construction and automobile production have recently declined from the exceptionally high levels attained in 1955. Although they are important segments of our economy, the decline in these areas has been offset by expansion in other sectors, particularly in nondurable goods and services and in industrial investment.

Indeed, one of the principal features of our economy this year is the substantial expansion of planned expenditures on plant and equipment. Early this year businessmen reported that they planned expenditures in 1956 for fixed investment of \$35 billion, more than 20 percent above that of 1955. Planned increases were reported by all major industry groups.

In addition, government purchases of goods and services have gradually expanded during the past year, after substantial declines in 1953 and 1954. Spending by State and local governments has been rising to meet the requirements of a rapidly growing population for schools, roads, and other community facilities and services.

Looking to the immediate future, all projections of national product which have been made by governmental and private research agencies

emphasize the prospects for continued growth and for advancement in the standard of living. Perhaps even more important is the fact that, for the first time, American businessmen are planning expanded investment for several years ahead. These bold plans for the future underline the widespread confidence of the American people in the basic strength of their economy.

Since arriving in Geneva I have been asked by a number of delegates as to the effect that the steel strike in the United States will have upon our economy and upon the world economy. I shall not venture to predict how soon that strike may end, nor its terms of settlement. We are all aware of and regret the loss in wages and in production that it is causing. I do not believe this strike will alter production totals seriously for 1956.

However, may I note that this is a price which we are ready to pay and a risk we are prepared to run because it is part of a free labor market, of free trade unions, of free employers, and of free collective bargaining. This Council has in the past concerned itself deeply with the problems of insuring freedom of association and freedom of economic action to workers. I am sure that this Council would not wish to see the exercise of such freedom prohibited, even though it carried with it the threat of some economic loss.

While I am on this theme, I am reminded that, only 3 days before the steel strike began in the United States, there was another strike in Poznan, the basis of which, according to the official Polish press, was the dissatisfaction of the workers. This demonstration was met with tanks and guns which opened fire on the workers with the loss of many lives.

Mr. President, I hope that in our deliberations on the world economic situation we never forget that the highest purpose of any economic system must be to provide its people with the good things of life under conditions of justice, liberty, and freedom. If it fails to do that, it fails in everything, no matter what the production and balance-of-payments figures might show.

The great boom of 1955 circled the globe, and mines and factories in country after country shattered all records. But we members of this Council cannot afford to sit back and rejoice over the signs of economic improvement which we see all about us, satisfying though they are.

We cannot for one moment forget the many and difficult tasks which still lie ahead if the good life

<sup>a</sup> BULLETIN of Aug. 22, 1955, p. 312.

is to be brought to more than a fraction of the world's population. The fact that, at this point of the 20th century, the greater part of mankind is still living in areas where extreme poverty is the rule should be a constant reminder of the magnitude of the job that remains to be done. If the accomplishments of these past years are to be the forerunners of greater worldwide prosperity, these must be days of realistic appraisal and careful consideration of how we can best consolidate and extend our gains.

The *World Economic Survey* and the Secretary-General himself, in his penetrating statement on the world economic situation, have pointed out some of the obstacles which still lie in the path of world economic progress. The problem of consolidating economic growth in large parts of the world to the point where it can become self-sustaining; the balance-of-payment problems of many countries; the problem of encouraging the international flow of private capital to meet more fully the needs of economic development; the problem of growing population pressure in areas where modern public health techniques have brought about spectacular drops in the death rate, while the birthrate remains high—merely to list these should be sufficient to dissipate any complacency arising out of the world's economic performance of the last decade.

#### **What Lies Ahead?**

I should now like to consider briefly a few of the developments which we may anticipate in the years ahead. I shall not attempt to forecast the index of world production, or the level of world trade, or the figures on employment and unemployment, even for my own country. That task is for braver men, men with a flair for clairvoyance. Rather, I should like to examine briefly some of the broad elements which we can expect will characterize the world economy.

But first, may I say what must be immediately evident to anyone who gives thought to the future. All the most optimistic economic forecasts will mean nothing if we—all of us—do not work together to assure peace. At the same time, the tremendous economic possibilities that would be opened up for all nations by disarmament must excite the imagination. These considerations should spur all of us to even greater efforts to build a solid foundation for a truly peaceful world. The distinguished representative of the

Netherlands wisely said that confidence comes from deeds and experience. While our experience seldom keeps up with our hopes, we must keep our hopes and objectives high if our achievements are to be worthy of the goals of the United Nations.

Our common objective in the Economic and Social Council is the growth of production in an expanding world economy. Many factors point to such growth. Of course, growth will bring change and change brings instability. But we should not fear the problems the economic change will bring. Rather, we should welcome them as part of the process of economic development and turn our energies to adjusting to them.

With an increasing understanding of economic forces, with governments in industrialized countries committed to a policy of maintaining high levels of employment, and with new attitudes of responsibility on the part of businessmen, we can hope to avoid deep depressions like that of the thirties. It means that we can, perhaps, limit the duration of even moderate economic adjustments.

These developments do not mean, of course, that future economic fluctuations have been eliminated. However successful it may be in managing its economy, no country, including those with centrally planned economies, can expect economic progress without interruption.

There are indications that international trade and private investment will play a more important role in the world economy. As the Council knows, my delegation would regard the latter as a particularly desirable development, since we feel that, in most underdeveloped countries, private enterprise and government can work effectively together for economic development.

We can expect the process of industrialization to continue to spread in the less developed areas. We have already seen it making considerable strides during the past decade in Asia, the Middle East, and Latin America. Over the coming years, many millions of people in these areas will see their occupations, their places of residence, and their ways of living change as they move toward industrialization and urban life.

Finally, in the years ahead, organized international cooperation through the United Nations and the specialized agencies will continue to be one of the vital forces working on the international economic scene, bringing the knowledge of the entire world to bear on solving our common problems.



Mr. President, it is all too easy in discussions such as this one to become involved in abstract economic terminology. While this serves the very useful purpose of facilitating our analysis, we must never allow ourselves to lose sight of the fact that we are dealing not with abstractions but with the stark economic realities of people's lives, with food on the family table, roofs over people's heads, and machines to produce the necessities and comforts of life.

It is in such concrete terms that we must fix our common goal of making untrue—everywhere and forever—Hobbes' notorious definition of human life as "solitary, poor, nasty, brutish and short."

The successful pursuit of this goal will require the courage, wisdom, and stamina of all our peoples.

I have tried to indicate some of the recent trends which, I believe, warrant confidence for the future—the new determination among many peoples to achieve economic improvement; the commitment of governments to a policy of maximum employment; the dismantling of trade restrictions and the increasing importance of international trade; and the forward planning by many businessmen, reflecting a new sense of social responsibility.

If, at the same time, we continue to develop the community of purpose that brought the United Nations into being, then we can look forward to ever greater achievements in human welfare. Then, indeed, we shall have made progress toward the attainment of Toynbee's vision, the hallmark of our century.

## U.S. Delegations to International Conferences

### Conference on Statute of Atomic Energy Agency

The Department of State announced on August 2 (press release 422) that the President on that day had appointed James J. Wadsworth as the United States representative and chairman of the United States delegation to the Conference on the Statute of the International Atomic Energy Agency, scheduled to convene at United Nations Headquarters at New York on September 20, 1956.

The creation of an agency for developing the peaceful uses of the atom was first proposed by President Eisenhower in an address made before the General Assembly of the United Nations on December 8, 1953. A 12-nation negotiating group,

which included the United States, met at Washington, D. C., between February 27 and June 28, 1956. The negotiating group unanimously adopted a draft statute for the proposed agency and agreed to convene the September conference for the purpose of discussing, approving, and opening for signature the statute. Eighty-seven states members of the United Nations and of the specialized agencies will be invited to attend. It is anticipated that the conference may be in session for a period of 4 or 5 weeks.<sup>1</sup>

Ambassador Wadsworth, as the United States Representative for International Atomic Energy Agency Negotiations, was chairman of the United States delegation to the above 12-nation negotiating group.

In addition to his new duties, Ambassador Wadsworth will continue to serve as Deputy Representative of the United States to the United Nations, where he has been serving since his appointment in February 1953. Since that time, he has been active at all sessions of the General Assembly, has served as the Deputy U.S. Representative in the Security Council, as U.S. Representative at several sessions of the Economic and Social Council, and as Deputy U.S. Representative on the United Nations Disarmament Commission and on the Disarmament Subcommittee.

## TREATY INFORMATION

## U.S., Sweden Agree to Amend Atomic Energy Agreement

The Atomic Energy Commission and the Department of State (press release 423) announced on August 3 that the Governments of Sweden and the United States have agreed on an amendment to the Agreement for Cooperation in the Peaceful Uses of Atomic Energy, concluded earlier this year, to increase from 6 to 12 kilograms the amount of contained U-235 that may be leased to Sweden for research reactor fuel. Also included is a proviso for Sweden to obtain gram quantities of U-233, U-235, and plutonium for laboratory research.

<sup>1</sup> For texts of invitations and report of Working Level Meeting, see BULLETIN of July 23, 1956, p. 162.

The amendment was signed on August 3, 1956, by Chargé d'Affaires Count Carl Douglas for Sweden and by C. Burke Elbrick, Acting Assistant Secretary of State for European Affairs, and Chairman Lewis L. Strauss of the Atomic Energy Commission for the United States.

Sweden is planning the construction of a research reactor similar to the one being constructed at Oak Ridge, Tenn., which is cooled and moderated by ordinary water. The Swedish facilities would be modified to use uranium fuel enriched up to 20 percent U-235, as provided in the present agreement.

The amendment to the Swedish accord is now before the Joint Congressional Committee on Atomic Energy, where it will remain until Congress reconvenes.

## Current Actions

### MULTILATERAL

#### Automotive Traffic

Convention concerning customs facilities for touring. Done at New York June 4, 1954.<sup>1</sup>

*Ratification deposited:* United States, July 25, 1956.

Customs convention on temporary importation of private road vehicles. Done at New York June 4, 1954.<sup>1</sup>

*Ratification deposited:* United States, July 25, 1956.

#### United Nations

Constitution of the United Nations Educational, Scientific and Cultural Organization. Done at London November 16, 1945. Entered into force November 4, 1946. TIAS 1580.

*Signature:* Bulgaria, March 16, 1956.

*Acceptance deposited:* Bulgaria, May 17, 1956.

### BILATERAL

#### Germany

Administrative agreement concerning the Arbitration Tribunal and the Arbitral Commission on Property,

<sup>1</sup> Not in force.

Rights and Interests in Germany. Signed at Bonn July 13, 1956. Entered into force July 13, 1956.

#### Israel

Agreement for a program of educational exchanges authorized by the Fulbright Act (60 Stat. 754). Signed at Washington July 26, 1956. Entered into force July 26, 1956.

#### Sweden

Agreement amending research reactor agreement for co-operation concerning civil uses of atomic energy of January 18, 1956 (TIAS 3477). Signed at Washington August 3, 1956. Enters into force on day on which each Government receives from the other written notification that it has complied with statutory and constitutional requirements.

## DEPARTMENT AND FOREIGN SERVICE

### Confirmations

The Senate on July 27 confirmed G. Lewis Jones to be Ambassador to Tunisia.

### Organization Change

The Department of State announced on July 26 (Department Circular 198) the establishment in the Office of the Assistant Secretary for Public Affairs of the position of Special Assistant for East-West Contacts. The Special Assistant for East-West Contacts will have primary responsibility for initiating and developing proposals for interchanges between this country and the Soviet-bloc countries and, in consultation with the interested bureaus and offices of the Department, for determining this Government's policies and actions regarding such proposals. In addition, the Special Assistant is the central point within the Department for consultations on these matters with other departments and agencies of the United States Government.

### Designations

Frederick T. Merrill, as Special Assistant for East-West Contacts, effective July 26.

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### Check List of Department of State Press Releases: July 30-August 5

Releases may be obtained from the News Division, Department of State, Washington 25, D. C.

No.	Date	Subject
†416	7/31	Publication on educational exchange program.
*417	7/31	Educational exchange.
418	7/31	Delegation to Bolivian inauguration.
†419	8/2	Passamaquoddy reference to IJC.
420	8/2	Robertson: Virginia Bar Association.
*421	8/2	Biography of Ambassador G. Lewis Jones, Jr.
422	8/2	Wadsworth to represent U.S. at atomic energy agency conference.
423	8/3	Atomic agreement with Sweden.
†424	8/3	NAC recommendations on U.S.-Iceland defense agreement.
425	8/3	Dulles: airport statement.
†426	8/3	Hill: "Congress Looks Again at Red China."

\*Not printed.

†Held for a later issue of the BULLETIN.



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This volume will be followed by Volume V, also on the Far East. These two volumes deal chiefly with situations and events which culminated in the attack on Pearl Harbor and the precipitation of the United States into World War II.

More than two-thirds of this volume deals with the discussions regarding the possibility of a peaceful settlement of the conflicting interests of the United States and Japan arising from Japan's undeclared war in China, her expansionist moves southward, and her link with the Axis Powers.

The material now made public shows in some detail the efforts of private individuals to bring about conciliation, the discussions which went on among officials in the Government regarding proposals offered, and exchanges of views with other interested governments.

Of special historical interest are the papers relating to the Japanese *modus vivendi* proposal of November 20, consultations thereon within the United States Government and with the Governments of China, the United Kingdom, Australia, and the Netherlands, and the preparation of the counterproposal of November 26 which was the last diplomatic move before the Japanese struck at Pearl Harbor.

The remainder of Volume IV contains sections dealing with wartime cooperation among the United States, the British Empire, China, and the Netherlands in the Far East and the decision of the Soviet Union to remain neutral in the Pacific war; consideration during 1941 of sanctions against Japanese policies of aggression and violation of treaty rights; export control and freezing of Japanese assets; and relations of Japan with the Axis Powers and the Soviet Union.

Copies of this publication may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., for \$4.50 a copy.

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